Daily Report

Central Eurasia

FBIS-SOV-94-037
Thursday
24 February 1994

Daily Report
Central Eurasia

FBIS-SOV-94-037 *24 February 1994*

CONTENTS

INTERNATIONAL AFFAIRS

Georgia, Abkhazia Resume Peace Talks in Geneva 22 Feb *[AFP]* 1
Negotiations 'Very Difficult' *[INTERFAX]* 1
Negotiators Issue Statement *[CONTACT INFORMATION AGENCY]* 1

RUSSIA INTERNATIONAL AFFAIRS

Foreign Ministry Spokesman Views Ames Case *[ITAR-TASS]* 2
'High-Level' Russian Official Cited *[Moscow TV]* 2
Intelligence Official Interviewed *[Moscow International]* 2
Kozyrev Says Ames Case Must Not Be 'Politicized' *[ITAR-TASS]* 3
Stankevich Says 'Mutual Spying is Normal' *[London TV]* 3
Washington Demands Operatives Leave U.S. *[KURANTY 24 Feb]* 4
Background to Ames Arrest Reported *[IZVESTIYA 24 Feb]* 4
Russian 'Success' Viewed *[NEZAVISIMAYA GAZETA 24 Feb]* 6
Further on Case *[MOSKOVSKIY KOMSOMOLETS 24 Feb]* 6
Scandal Over Spy Case Linked to Yeltsin's Bosnia Initiative *[SEGODNYA 24 Feb]* 6
Yeltsin Summit Proposal on Bosnia Viewed *[ITAR-TASS]* 7
Promises To Boost 'Peaceful Offensive' *[ITAR-TASS]* 7
Churkin on 'Political Coalition' To Solve Bosnia Crisis *[ITAR-TASS]* 8
'Too Early' To Speak of Summit *[INTERFAX]* 8
Comments on Bonn Meeting on Bosnia *[ITAR-TASS]* 8
Shaposhnikov Praises Efforts To Avert NATO Air Strikes *[ITAR-TASS]* 9
Kostikov Says Yeltsin Won in Bosnia Where Others Failed *[Moscow TV]* 9
Says NATO Using 'Cold War' Ideology *[ITAR-TASS]* 9
Military Official on Redeployment of Troops in Sarajevo *[Moscow TV]* 10
Top Brass Reluctant To Send Reinforcements to Bosnia *[KOMMERSANT-DAILY 23 Feb]* 10
Krakow Conference To Confront 'Difficult Questions' *[PRAVDA 22 Feb]* 11
Kozyrev Addresses Conference *[ITAR-TASS]* 11
Criticizes NATO Moves in Bosnia *[Belgrade TANJUG]* 12
Concludes Visit to Poland *[ITAR-TASS]* 12
Interviewed on Return From Poland *[Moscow TV]* 12
Obstacles to Country's European Union Accord Seen *[NEZAVISIMAYA GAZETA 23 Feb]* 13

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin Addresses Nation, Federal Assembly 24 Feb *[Moscow TV]* 15
Mixed Views on Speech Reported *[ITAR-TASS]* 21
Shumeyko, Shakhray Praise Address *[ITAR-TASS]* 22
Speech Stresses 'National Idea' *[ITAR-TASS]* 22
Yakovlev Views Guidelines *[ITAR-TASS]* 22
Kazannik Welcomes Remarks on Crime *[ITAR-TASS]* 23
Opposition Leaders May Be Freed Following Ruling *[ITAR-TASS]* 23
Kazannik To Free Coup Organizers *[ITAR-TASS]* 23
Immediate Release Not Guaranteed *[INTERFAX]* 23
Yeltsin May Annul Decision *[ITAR-TASS]* 24
Kostikov Terms Amnesty 'Immoral' *[ITAR-TASS]* 24
Kostikov: Decision 'Hastily' Adopted *[ITAR-TASS]* 24
Duma Surprised by Kostikov Remarks *[ITAR-TASS]* 25
Decision 'Poorly Thought Out' *[ITAR-TASS]* 25
Shumeyko on Court's Decision *[ITAR-TASS]* 25

Yakovlev: Amnesty Judicially Correct *[Russian TV]* 25
Amnesty Prelude to Reconciliation *[INTERFAX]* 25
Deputy Says Rybkin Promoted Vote *[ITAR-TASS]* 26
Amnesty Vote 'Challenge' to President *[ITAR-TASS]* 26
Zhirinovskiy, Others React *[ITAR-TASS]* 26
Other Party Leaders Comment *[INTERFAX]* 27
Chernomyrdin Engagements Postponed Due to Cold *[ITAR-TASS]* 27
Government Sitting Set for 3 Mar *[Radio Rossii]* 27
Yeltsin Meets Acting Head of Constitutional Court *[ITAR-TASS]* 28
Zhirinovskiy Case Transfer to Military Unexplained *[IZVESTIYA 23 Feb]* 28
'Tenuous Legal Basis' of Local Elections Queried *[KOMSOMOLSKAYA PRAVDA 22 Feb]* 28
Edict on Government Information Service Viewed *[KOMMERSANT-DAILY 23 Feb]* 29
Program Views Mirzayanov Case, Chemical Weapons *[Russian TV]* 30
Chemist To Divulge Secrets Unless Mirzayanov Freed *[TRUD 23 Feb]* 30

Economic Issues

Analysts Suggest Ways of Solving Payment Crisis *[INTERFAX]* 30
Future Yeltsin Aide Outlines Economic Measures *[SEGODNYA 23 Feb]* 31
Nuclear Plants' Cash Problems Viewed *[KOMSOMOLSKAYA PRAVDA 23 Feb]* 32

Military & Nuclear Issues

Yeltsin Addresses Military Students *[ITAR-TASS]* 33
Seeks Decrease in Troops Abroad *[ITAR-TASS]* 33
Yeltsin's Greetings on Fatherland Defenders Day *[ITAR-TASS]* 35
Grachev Tells Veterans Russia Has Strong Army *[INTERFAX]* 36
Says Republics Lack Proper Army *[INTERFAX]* 36
Order for Defenders of Fatherland Day *[KRASNAYA ZVEZDA 23 Feb]* 36
Navy Denies Captured Sub From Pacific Fleet *[ITAR-TASS]* 37
Conference Held on Problems of Nuclear Storage *[Russian TV]* 37
Su-34 Bomber Described in Weapons Feature *[Moscow International]* 38

Federal Assembly

Rybkin Urges Government of Accord *[NEZAVISIMAYA GAZETA 24 Feb]* 38
Duma Sends Greetings to Servicemen *[ROSSIYSKAYA GAZETA 23 Feb]* 38
Armed Forces Subcommittee's Rodionov Interviewed *[KRASNAYA ZVEZDA 22 Feb]* 39
Duma Approves Resolution on Agriculture *[INTERFAX]* 39
Move to New Premises Set for Fall *[ROSSIYSKAYA GAZETA 23 Feb]* 39

Regional Affairs

Yeltsin Addresses Chechen, Ingush Peoples *[ITAR-TASS]* 40
50th Anniversary Marked *[INTERFAX]* 40
Shumeyko on Situation in Caucasus, Tatarstan Treaty *[ITAR-TASS]* 41

UKRAINE

International Affairs

Foreign Minister Visits Germany, Discusses Economy *[Kiev Radio]* 42
Analyst on Advantages of 'Partnership for Peace' *[HOLOS UKRAYINY 19 Feb]* 42

National Affairs

Kravchuk Decision Not To Seek Reelection Viewed *[PRAVDA 23 Feb]* 43
Press Offices on Kravchuk Position on Elections *[INTERFAX]* 43
Zvyahilskyy Addresses Supreme Council *[Kiev International]* 44
Parliament Ratifies Consular Convention With Russia *[UNIAN]* 46
Parliament Not To Discuss Nuclear Treaty Without Guarantees *[ITAR-TASS]* 46

Crimean President Refuses Premier Post in Government *[UNIAR]* 47
Cabinet Holds Meeting With Crimean Officials *[DEMOKRATYCHNA UKRAYINA 22 Feb]* 47
Crimea's Meshkov Meets With Businessmen *[KRYMSKAYA GAZETA 22 Feb]* 47
Parties Pledge Cooperation With Meshkov *[KRMYSKAYA PRAVDA 22 Feb]* 48

WESTERN REGION

Belarus

Kebich, Chernomyrdin Illnesses Delay Monetary Unification *[INTERFAX]* 49
Democratic Forces Unite for Presidential Elections *[RID]* 49
Deputy Supports Strikers, Urges Disbanding Legislature *[NARODNAYA GAZETA 22 Feb]* 49
Border With Russia Deemed To Be 'Quite Different' *[VO SLAVU RODINY 19 Feb]* 50

Moldova

Snegur Views Ties With Romania, Ilascu Case *[Bucharest Radio]* 50
Snegur Issues Election Decree; Poll Shows Preferences *[Bucharest Radio]* 50

CENTRAL ASIA

Kazakhstan

Nazarbayev on Results of U.S., French Visits *[IZVESTIYA 23 Feb]* 52
No Leasing Baykonur Until Troop Status Solved *[INTERFAX]* 53
Talks Held on Greater Involvement in CSCE *[ITAR-TASS]* 53

CAUCASUS

Azerbaijan

Aliyev Meets John Major, Speaks at Royal Institute *[ITAR-TASS]* 54
Aliyev's Visit to Britain, Ties With West Discussed *[Baku TV]* 54
Georgian Premier Asks for Help To Ease Energy Crisis *[TURAN]* 55
Foreign Ministry Protests Killing of POW's *[Baku Radio]* 55
UN Envoy Views 'Partnership for Peace' *[TURAN]* 55

Georgia

Scientific Cooperation Accord With Russia *[SAKARTVELOS RESPUBLIKA 8 Feb]* 56

BALTIC STATES

Estonia

EU Free Trade Agreement Talks Open in Brussels *[Tallinn Radio]* 58
Agreement on 'Basic Principles' *[BNS]* 58
CSCE Commissioner Finds No Rights Abuse of Russian Speakers *[BNS]* 58
MP Says CSCE High Commissioner 'Interfering' *[BNS]* 58
Arms Consignment Discovered Near Southeastern Border *[BNS]* 59

Latvia

Poland's Walesa Arrives on 'State Visit' *[Riga Radio]* 59
Meets With Birkavs *[Riga Radio]* 59
Commission To Tackle Skrunda Radar Station Problems *[Riga Radio]* 60

Lithuania

Foreign Minister on Border Violation by Russians *[BNS]* 60
Minister on Promotion of Domestic Goods *[TIESA 5 Feb]* 60

Georgia, Abkhazia Resume Peace Talks in Geneva 22 Feb

AU2202140694 Paris AFP in English 1342 GMT 22 Feb 94

[Text] Geneva, Feb 22 (AFP)—Georgia and the breakaway western region of Abkhazia resumed peace talks here on Tuesday under UN auspices with Russian participation, in a third round of negotiations which started last October.

UN spokeswoman Therese Gastaut said the aim of the two to three day session was to achieve an overall settlement. Topping the agenda are the return of 200,000 to 300,000 refugees who fled Abkhazia in last year's fighting, and a discussion of Abkhazia's political status.

Under the old Soviet constitution, Abkhazia was an autonomous republic within Georgia. The speaker of its parliament in Sukhumi, Vladislav Ardzinba, told the press here that Abkhazia could choose between independence or coexistence in equality with Georgia. Georgian leader Eduard Shevardnadze has insisted a solution must respect Georgia's territorial integrity.

The previous round of talks ended in mid-January with agreement in principle on the withdrawal of troops and a demilitarisation zone between the belligerents.

Negotiations 'Very Difficult'

LD2302194794 Moscow INTERFAX in English 1130 GMT 23 Feb 94

[Text] First Deputy Georgian Foreign Minister, a member of the Georgian delegation at the Georgian-Abkhazian negotiations, started on February 22 in Geneva, Mikhail Ukleba, said that the negotiatory process was very difficult. However, there was hope for the future, he added.

He mentioned in a televised interview that Head of the Georgian delegation, Jaba Ioseliani, had made a statement on the 'ethnic cleansing' carried out in the Abkhazian region of Ghali. Ioseliani also blamed the Abkhazian party for failure of the agreements on return of refugees to this region achieved at the previous January round of the negotiations.

A member of the Abkhazian delegation, Plenipotentiary Representative of Abkhazia to the Western Europe, Vyacheslav Chirikba, stressed that the negotiations were hampered by the categorical and uncompromising statements of the Georgian delegation, which impeded the negotiations and adoption of constructive decisions."

According to him, the Abkhazian party continues to stand for deployment of peacekeeping forces on the Georgian-Abkhazian border of the Inguri River. The Georgian delegation insisted that these forces be brought to Abkhazia to control all its territory.

Speaking on return of refugees, Chirikba said that the Abkhazian delegation had confirmed the preparedness to receive all refugees except those who had committed military crimes against Abkhazians.

Chirikba announced that the parties had put forward their proposals on the status of Abkhazia which was to be discussed in a few days.

The Abkhazian plenipotentiary representative's press service told Interfax that three main issues were to be considered in Geneva - refugees, the status of Abkhazia and deployment of the peacekeeping forces in the conflict zone.

The Abkhazian delegation is headed by Abkhazian Premier Sokrat Jinjoliya. Deputy Russian Foreign Minister, Boris Pastukhov, represents the Russian party.

Negotiators Issue Statement

LD2302231694 Tbilisi CONTACT INFORMATION AGENCY in Russian 1457 GMT 23 Feb 94

[Text] It has emerged that yesterday, the Geneva talks on the peaceful settlement of the conflict in Abkhazia examined the problem of the return of the refugees to their original places of residence and Abkhazia's political status.

Representatives of leading Western powers present at the talks reaffirmed their position as regards Georgia's territorial integrity, telling [Abkhaz Supreme Soviet Chairman Vladislav] Ardzinba, who had been specially summoned to Geneva, that there could be no talk of Abkhazia's secession.

The Georgian delegation made a statement strongly condemning the Abkhaz separatists' actions against civilians in Gali Rayon. The text of the statement was distributed among representatives of the mass media.

Georgian representatives made special emphasis on the fact that the Abkhaz side had blocked a visit to Gali Rayon by the UN mission, which was confirmed by its leader, General Hvidegaard.

The talks continued today.

Foreign Ministry Spokesman Views Ames Case

LD2302135394 Moscow ITAR-TASS in English 1329 GMT 23 Feb 94

[By ITAR-TASS correspondent Andrey Palaria]

[Text] Moscow February 23 TASS—The Russian Foreign Ministry said a balanced and quiet approach is necessary to the scandal over the arrest of CIA agent Aldrich Ames on charges of spying for Russia and said it has a number of questions which need to be clarified.

"A balanced and quiet approach, devoid of excessive political emotions" is necessary in the case, spokesman of the Foreign Ministry Grigoriy Karasin told TASS on Wednesday.

He added that the Foreign Ministry learned about the arrest from official information from the United States.

"It is quite natural that we have questions about the merits of the information. Many things are to be clarified. This is a job for corresponding special services of Russia and the United States", Karasin said.

He added that "as far as we know, cooperation (between the services) is being developed in such spheres as anti-terrorist and anti-drug fight and these contacts should be used".

Ames and his wife were arrested on Monday during a joint operation of the CIA and the FBI.

'High-Level' Russian Official Cited

LD2302160394 Moscow Ostankino Television First Channel Network in Russian 1500 GMT 23 Feb 94

[From the "Novosti" newscast]

[Text] The U.S. spy case involving the Ames couple who, the Americans allege, were working for Moscow since 1985 will probably be discussed in detail during the forthcoming visit to Washington by Russian Federation Deputy Foreign Minister Mamedov. It is expected that the deputy foreign minister, who is now visiting a number of Latin American countries, will arrive in Washington on 26 February.

According to a high-level Russian official, it would be possible, if we wanted to, to expose U.S. diplomats and some Russians collaborating with these special services working in Moscow, but we are not doing this. Just as the Americans were not doing this until now. It is not clear why they have to cast a shadow on their relations with Russia, which earns the highest number of points for Bill Clinton's administration, the high-level Russian official stated.

Intelligence Official Interviewed

LD2302181594 Moscow Radio Moscow World Service in English 1630 GMT 23 Feb 94

[Report on interview with Yuriy Kobaldze, head of the Public Relations Center of Russian External Intelligence; Kobaladze speaks in Russian with superimposed English translation; Kobaladze remarks recorded]

[Text] The United States Government has filed a law suit against an officer of the Central Intelligence Agency, Aldrich Hazen Ames, and his wife, Maria Ames, on charges of spying for the former Soviet Union and then Russia. The United States Justice Ministry claims that the Ames couple has spied against the United States since 1985. The U.S. Secretary of State Warren Christopher has lodged an official protest with a Russian diplomat who was invited to the Department of State. In Moscow, the U.S. Ambassador Pickering voiced a similar protest at his meeting with Russian Foreign Ministry officials. Radio Moscow's reporter, Aleksandr Peripetchko has asked the chief of the Public Relations Bureau of Russia's external intelligence, Yuriy Kobaladze, to comment on the arrest of the American couple on charges of spying for Russia:

[Kobaladze] Firstly, it is unclear for what reason the Russian external intelligence is believed to be involved in that affair. This question should be addressed to the Americans, those who made the arrest, those who formulated the charges, U.S. Administration officials. This is not our business. We never comment on such issues. This is a generally recognized practice for all secret services. The Russian intelligence is no exception. No comments are made on whether this or that person was, or is, involved in intelligence operations. All professionals are perfectly aware of that. So is the public at large. This is the reason why I refrain from any comments.

[Announcer] A BBC report said that the United States does not want another round of mutual expulsions, so frequent in the Cold War years. Yet it hopes that Russia will recall from the United States those diplomats who have worked with the Ames couple. Washington would also like to hear promises from Moscow that nothing of the sort will happen in the future. What does the public relations official of the Russian external intelligence think of that? Yuriy Kobaladze:

[Kobaladze] If we avoid focusing on this concrete episode and speak in broader terms, the Russian intelligence has never pledged to curtail intelligence activity. No other Western intelligence, including the American one, has ever done so either. Moreover, Washington keeps saying that in the wake of the break-up of the Soviet Union, its interest in Russia's problems and in the problems of other former Soviet republics has grown and not reduced. The Americans say they must increase the presence of the intelligence in that region. They have talked a great deal about what they call human intelligence. This euphemism means recruiting agents. The

American intelligence and other foreign secret services have been very active in that respect.

[Announcer] One of Russia's central dailies, IZVESTIYA, earlier this month published an interview with the chief of Russia's Federal Counterintelligence, Mr. Golushko. In that interview he said outright that several people have been arrested on spying charges. The damage one of them has caused to Russia is similar only to that of the Penkovskiy affair in the 60's. This is only one of the examples of how active Western secret services have been in Russia. Washington seems to be expecting Moscow to take certain steps to restore stability in its relations with the United States, the more so since the United States President Bill Clinton has described this as a very serious incident. Is that so? Yuriy Kobaladze:

[Kobaladze] What we would like to say is that individual episodes should not be used to build up tensions in Russian-U.S. relations. That is a Cold War tactic. If we really live in a new world, a world of cooperation and good-neighborliness, it would be senseless to fan this hysteria.

[Announcer] One cannot but agree that even in this changing world, an intelligence service will remain so. It will continue to have its own specific interest and use its own means. It remains to be seen whether this episode will have a negative effect on Russian- U.S. relations or not.

Kozyrev Says Ames Case Must Not Be 'Politicized'

LD2402135094 Moscow ITAR-TASS in English 1333 GMT 24 Feb 94

[By ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow February 24 TASS—Russian foreign minister said the Ames' affair should not be politicized and forefronted in Russian-American relations. The problem should be handled by people responsible for this specific sphere, who will look into particulars, collect comprehensive information and make appropriate decisions.

The Russian minister was referring to the case of the former CIA counter-intelligence department leader Aldrich H. Ames and his wife whom the U.S. Administration accused of spying for the former Soviet Union and Russia.

According to the Russian minister, Russian-American relations have reached a very high level of partnership and cooperation for "cases like this one" to overshadow them.

Responding to a question from ITAR-TASS, Andrey Kozyrev admitted that "espionage stories" do crop up, regrettably, in relations between different countries from time to time, even if they are NATO allies, or between the United States and Israel.

Andrey Kozyrev expressed the hope that the "Ames problem" is in no way linked to the Russian president's latest initiative concerning Bosnia. It would be better, he said, not to politicize or ideologize the situation but let relevant services of the two countries handle it.

What is most important is for us "to continue cooperation and not to attach undue, hypertrophied significance to this case", Kozyrev said.

Stankevich Says 'Mutual Spying is Normal'

LD2402102094 London ITV Television Network in English 1900 GMT 23 Feb 94

[Interview with Parliament Deputy Sergey Stankevich by presenter Jon Snow from the "Channel 4 News" broadcast; Stankevich in Moscow, Snow in London—live]

[Text] [Snow] Well we're joined now from Moscow by Sergey Stankevich, who is a member of the Russian parliament and former adviser to President Yeltsin. First, Sergey Stankevich, on the spying matter, from a Russian perspective, how seriously would you assess the strain between America and Russia on this issue?

[Stankevich] I think that mutual spying is normal, routine practice, not only for totalitarian but also for democratic states. I am absolutely sure that we have enough American spies now in Moscow, maybe now even more than before, and I see no reason to over-dramatize this particular case. I think that if we use this case as a ground for revising previous long-term agreements and relations between Russia and United States, it would bring quite serious damage, not only for our bilateral relations but for international situations also. Strategic partnership is such a thing that should be preserved by all countries. This case should not be over-dramatized.

[Snow] So you don't think there is any danger that the Americans may move back to a rather sort of Cold War stance?

[Stankevich] I hope that the reception, that the estimation of this case will be more moderate than maybe first reaction.

[Snow] On what's been going on in the Russian parliament today, a very important session because it's giving us a clue as to what sort of an institution you are now sitting in, this pardoning of the people who staged that hold-out in the White House last year, does this mean we're going to see Khasbulatov and Rutskoy back on the streets?

[Stankevich] I think yes, they will be freed in several days as far as I can understand the result of the current decision, and I think it was quite reasonable decision. One should take into account that Russian society is deeply splitted, politically, ideologically and so on. We adopted new constitution and now it's necessary to give

Russian people a chance for national reconciliation. It is not a one sided decision just to give pardon to these people, Rutskoy, Khasbulatov and others, it is a package of decisions and the appeal for national reconciliation is the essence of this package...

[Snow, interrupting] ...not good news though, for the man you used to be so close to—Boris Yeltsin?

[Stankevich] I think that Boris Yeltsin also in his tomorrow's speecn, tomorrow he will address to the Russian parliament, also will take some measures to guarantee that national reconciliation can be possible. So I think that it will be good initiative for him and he can use this chance to make his part of the way [as heard].

[Snow] Now you're a reformist, a moderate. What's it like sitting in there with Mr. Zhirinovskiy on the far right? How far is he able to play fast and loose with what's going on in the parliament?

[Stankevich] Mr. Zhirinovskiy is quite exotic maybe demonstration of some serious political affects for Russia. Russia should have maybe more national interest oriented foreign policy. It should be strengthened as a state and it is up to President Yeltsin, and up to Russian democrats to show their ability in strengthening Russian state.

[Snow] That does suggest you see this institution as something that may well be able to take in hand the nationalist aspirations that this exotic Mr Zhirinovskiy has conjured?

[Stankevich] Yes, I think that Mr. Zhirinovskiy is a very serious signal and Russian democrats including Russian president, should take this lesson seriously and should hear the voice of Russia.

[Snow] Mr. Stankevich, thank you very much indeed for joining us.

Washington Demands Operatives Leave U.S.

MK2402082094 Moscow KURANTY in Russian 24 Feb 94 p 1

[Unattributed INFORM-KURANTY comment: "They Sold America for 1.5 Million"]

[Text] Russia has been "driven into" a fresh scandal. Yet another "sweet couple" has been uncovered way across the Atlantic—a high-ranking CIA man and his Colombian wife who provided the USSR and later Russia with information of interest to the KGB-Foreign Intelligence Service for regular remuneration.

The Clinton administration has naturally become very upset at Russia which, poor as it is, so unproductively spent $1.5 million to buy the informers. Therefore, they in Washington are demanding that all persons having a hand in such an operation—that is, intelligence operatives—should of their own accord, with no additional prompting, leave the United States. Otherwise, they say, we will take some measures. It is not ruled out that after such an affront, the Russian special services will announce the detention of an American informer. Traditions should be kept up.

Background to Ames Arrest Reported

PM2302181594 Moscow IZVESTIYA in Russian 24 Feb 94 pp 1, 3

[Report by Vladimir Nadein: "Arrest of KGB Agents in America"]

[Text] Washington—U.S. President B. Clinton has announced the capture of the biggest foreign spy in the U.S. intelligence service. Aldrich Ames, a 52-year-old CIA staffer, had worked since 1985 first for the Soviet KGB and then for its Russian successors.

The president called this a "very serious case" and stated that an official protest would be made to the Russian Government. Russian charge d'affaires ad interim V. Chkhikvishvili was summoned to the State Department where Secretary of State W. Christopher presented him with a protest note. The Russian Federation Embassy has reported that the note contains nothing to indicate the likelihood of a complication in relations between the two countries. Nor does it contain a call for any actions by the Russian authorities. Nonetheless T. Pickering, the U.S. ambassador to Moscow, has been instructed to lodge an official protest with the Russian Government.

A. Ames was arrested on Monday on his way to work, where he headed an anti-drugs subdivision. Soon his 41-year-old wife Maria was also arrested at home. According to information which is coming in she was also a paid CIA staffer—but also a better paid Russian agent.

In a statement issued in her name Attorney General Janet Reno also called the case "extremely serious." The majority of experts here agree, taking into account that before he was moved to the drug fighting department Aldrich Ames had for a number of years headed the counterintelligence service resisting the Soviet Union.

R. Kessler, author of the well-known book *The CIA from the Inside,* who swiftly questioned his acquaintances in that organization, believes that A. Ames was informed of all the CIA's secret operations connected with the USSR and Russia. President Clinton has ordered an immediate investigation into the size of the damage to U.S. national security. It could be colossal, considering that America has few intelligence links left of whose reliability it can be firmly confident.

Over the past decades the communist states' intelligence services have incurred very serious losses. Despite the high professional reputation of the relevant services of the GDR, Czechoslovakia, and the Soviet Union, the wounds inflicted by traitors in high positions were too deep. The actions of V. Penkovskiy, who worked successfully for the West for several years, really shook the

USSR's defensive system. The collapse of the KGB networks in Britain, Italy, and Sweden have been described in sufficient detail in Western literature. The impression was created that since the era of Kim Philby and his renowned Cambridge colleagues who were the glory of the NKVD-MGB-KGB all that is best in Soviet intelligence is in the past.

If all the buzzing in the U.S. mass media today is true then in 1985 the Soviet special services made a breakthrough to sources of enormous value by recruiting A. Ames and his wife.

In contrast to Philby, Burgess, and the other aces of espionage, Ames and his wife found the fascination of serving the Soviet Union lay not in ideological unity but in the level of remuneration. Radio and television reports are announcing not without concealed delight that the USSR and Russia paid the Ames over $1.5 million.

The generous payments, many times in excess of the family's official income, proved fatal to it. Calculations showed that in the period between April 1985 and November 1993 Aldrich was able to take home no more than $335,164, but during this time the Ames' spent at least $1.3 million. They bought a house in Arlington, a suburb of Washington, for $540,000. They made ostentatious purchases with their seemingly unlimited credit cards: in all $455,000. They bought a Jaguar sports car for $25,000—an automobile which is not so much expensive as provocatively useless for a normal working family.

Yet the majority of CIA employees are people of very modest means by U.S. standards. They do not throw money about themselves and are very suspicious of those colleagues who are inclined to luxury.

President Clinton said he was informed long ago that the Ames' were under constant observation. Top secret documents with no direct bearing on his activity were found in Aldrich's official cupboard. They managed to establish his method of communication with his patrons from the Russian intelligence services. The meetings took place after a discreet sign drawn in chalk appeared somewhere on a mailbox in Georgetown not far from the Russian housing complex.

Incidentally, that was the subject of the couple's "spy" talk which was recorded on tape and has been broadcast on the radio several times. Maria was asking angrily why he was slow in drawing the sign and Aldrich was trying to justify himself, saying that there was heavy rain and the chalkmark would be washed away at once.

By studying the contents of the trash cans outside the Ames' house U.S. counterintelligence agents discovered last September old tapes from his computer printer and (or) typewriter. Laboratories had no difficulty in reconstituting the printed texts from which advance information was obtained about a meeting with Russian agents scheduled in Caracas, the capital of Venezuela.

He was an experienced agent and had served in Turkey and Mexico and was then responsible for recruiting Soviet officials and in particular KGB officers. He was promoted for his successes in this job, heading the department for fighting Soviet intelligence.

But he probably came up against a top-class Soviet professional, who cunningly recruited him in turn.

The materials handed to the court to obtain an arrest warrant for the Ames' bear out that they had passed on to the Russian special services information about CIA operations and personnel. Their activity against the United States began in 1985 although the CIA suspected the existence of a well concealed Soviet agent in its ranks at the end of the seventies.

If the court fines the Ames' guilty they face life imprisonment and a fine of $250,000.

President Clinton called the exposure of the Ames' a "very good joint operation by the FBI and the CIA." The CIA has no right to operate on U.S. territory although it gave the FBI full assistance in exposing its employee.

FBI Director Louis Freeh paid tribute to his CIA colleagues for their readiness "to help us unhesitatingly at each step" of the investigation, and CIA Director James Woolsey noted in an official statement that "this joint effort shows how our counterintelligence agents and FBI employees have cooperated over the recent period."

This mutual praise is an indirect response to criticism of past years when differences between the two intelligence departments allowed CIA staffer E. Howard to flee to Moscow in 1985 and betray several U.S. agents to the KGB.

U.S. observers are angered most by the perfidy of Russia which, they say, is seeking new aid from the United States yet itself spending millions of dollars on anti-American espionage.

The picture of intelligence hostilities since the end of the Cold War has become motley and chaotic. The countries with powerful special services—the USSR, the GDR, and Czechoslovakia—no longer exist. The successors to the GDR and Czechoslovakia have completely halted their work against the West. Russia has not and is believed to have no intention of doing so, primarily because such activity against it has not ceased for a moment.

The commentaries of experts, who include many former professional intelligence workers, contain anger at the fact that, tempted by the Russian millions, Ames betrayed many U.S. agents to Moscow. Although this claim is to all appearances true it also attests to the hypocrisy of this anger since Russia has no less right to secret operations in the United States than America has to espionage in Russia.

On Tuesday U.S. journalists laid siege to the Russian Embassy in Washington requesting comments on the

main sensation of the week. In the absence of a response from Moscow this was impossible. Accepted practice is for governments to keep quiet if agents working for their countries are exposed.

The State Department asserts that questions connected with Aldrich and Maria Ames may be raised with Russian Foreign Minister A. Kozyrev if there is confirmation of persistent rumors that he is coming to Washington toward the end of the week.

Russian 'Success' Viewed

MK2402084094 Moscow NEZAVISIMAYA GAZETA in Russian 24 Feb 94 p 1

[Andrey Streletskiy report under the "Secret Services" rubric: "High-Ranking CIA Official, Who Worked for Soviet Union and Russia, Arrested. His Recruitment and Long-Time Work May Undoubtedly Be Recognized as Domestic Intelligence Service's Success"]

[Excerpt] [passage omitted] The press bureau of the Russian Foreign Intelligence Service [FIS] would not give official comments on the arrest of Aldrich Hazen Ames. A "no-comment" response in such cases means an indirect recognition of an uncovered agent's cooperation with one secret service or another. An informed intelligence expert, who asked not to be identified, answering your NEZAVISIMAYA GAZETA correspondent's question whether this incident is the FIS' worst setback recently, said: "I would look at the incident from a different side and I would say as follows: The fact that our intelligence service has had such an agent for such a long time is undoubtedly a great success. Undoubtedly, he was worth the great amount of money that was paid to him. The situation should not be dramatized and the scandals should not be blown out of proportion. No one has yet canceled intelligence activity after all. Our agents do in the United States just what theirs do here, nothing more. As a matter of fact, when we catch their spies we do not demand that their diplomats be expelled. It would be most unwelcome if this episode causes tension in Russian-American relations. The United States needs us just as we need them."

Further on Case

MK2402083094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 24 Feb 94 p 1

[Unattributed report: "Our Man in the CIA Was Stopped From Carrying Out a Second Five-Year Mission"]

[Text] A few days ago CIA and FBI officers arrested the Ames couple on charges of spying for Russia.

Prior to his arrest Aldrich Hazen Ames was chief of a CIA group for covert operations against the USSR (later on the CIS). Russian special services believe that the failure of an agent at such a level on one hand is certainly a disappointment, but on the other is an indicator of the intelligence service's performance: After all, the agent had worked for nearly nine years. Especially given that according to informal statistics kept by many intelligence services in the world, there are five unexposed agents for each one that has had his cover blown.

The U.S. President thanked all CIA and FBI officers who took part in the operation and said that the United States will necessarily make a protest to Russia. According to the U.S. Justice Department, the Ames couple received payments of $1.5 million.

Judging by the way they were arrested, sources in the Russian special services suppose that the agents were "burned" while using a communication channel (setting or picking up "dead drops," and so forth). They also believe that during his visit to Moscow, Clinton knew about the pending arrest of a couple of Russian agents.

Scandal Over Spy Case Linked to Yeltsin's Bosnia Initiative

MK2402091094 Moscow SEGODNYA in Russian 24 Feb 94 p 1

[Vladimir Abarinov report: "Diplomatic Exposure"]

[Text] Accusing anyone of spying for a power with which "a strategic partnership" has just been announced is a serious step. Clearly, the political effects of such actions tend to be carefully weighed, there cannot be any coincidences here. The first striking thing is that Yevgeniy Primakov, director of the Russian Foreign Intelligence Service [FIS], and Foreign Minister Andrey Kozyrev are out of Moscow, and we do not have an ambassador in Washington.

There is another thing, however, that matters much more. The exposure of a spy has coincided with Boris Yeltsin's new Bosnian initiative. Some two days ago he proposed that the United States, Britain, France, and Germany hold a summit in a European capital to sign a peace settlement plan for Bosnia. Holding such a summit at Russia's request and, moreover, signing a peace plan would be inconvenient for Western leaders at this stage. The scandal over Ames' arrest removes the Russian initiative from the agenda and brings its publicity effect to naught.

The incident with the shooting on a Swedish UN convoy outside the Muslim enclave of Vitez, after which the command of the UN forces in Bosnia immediately asked NATO for air protection, speaks in favor of this theory. A provocation? Maybe. But no one will bother to find out the truth.

Moscow itself is to blame to some extent for such a turn of events: Too loudly has it celebrated its diplomatic success. Meanwhile, the success is far from evident. Bringing Sarajevo under UN control means that the Muslims must be disarmed to a level corresponding to that of the Serbs. The Russian partners have so far not coped with the task.

The spy scandal can also mark an end to the discussion on tightening Russia's foreign policy doctrine. The arrest of an agent is an irrefutable argument for the Americans. Not to speak of the huge fees paid to Ames, which would knock out on the spot any advocate of extensive assistance to Russia. As soon as the FBI starts estimating the damage done to America by Ames, the old outcry—"the Russians cannot be trusted"—will be revived to a new intensity.

But what has actually happened? Intelligence services all over the world operate against each other, and this does not harm bilateral relations in any way. For instance, the exposure of an Israeli spy, Pollard, has not affected the American-Israeli partnership.

What appears to be a somewhat promising sign is the fact that the Russian intelligence service, although it would not comment on the Ames case, does not pretend it has nothing to do with him, as has often been the case previously. We do not know whether an American spy is presently serving a sentence in Russia. If one is, the matter could be straightened out to the full satisfaction of both sides by carrying out a classical exchange. To do so, however, we will have to wait for a trial to establish Ames' guilt.

Yeltsin Summit Proposal on Bosnia Viewed

LD2302172194 Moscow ITAR-TASS in English 1657 GMT 23 Feb 94

[By ITAR-TASS correspondent Valeriy Sevryukov]

[Text] Moscow February 23 TASS—In order to "put a full stop to resolving the Yugoslav conflict", Russian President Boris Yeltsin said on Wednesday [23 February] he was inviting President Bill Clinton and the leaders of Great Britain, France and Germany to a one-day meeting. He believes this international peace summit might result in signing a document "which would be of historic importance and help cease bloodshed in Yugoslavia".

The necessary premises have been already created. "The European peace plan" to settle the crisis in former Yugoslavia, which was discussed at yesterday's meeting of senior diplomats from Russia, the United States, "the European trio", NATO, and the United Nations in Bonn, is based to a great extent on Russia's concept of stabilizing the situation in Bosnia-Herzegovina. The Russian peace initiatives made it possible to stop bloodshed in Sarajevo, to avert the NATO threatened air strikes against Bosnian Serb positions and to take a small first step towards a final peace agreement between the three warring factions in Bosnia. The major success of Russia's foreign policy revealed the ineffectiveness of the "tough ultimatum" stand taken by Western countries.

The developments of the past few days have proved there is no need to resort to ultimatums for extending "peace dynamics" from the Bosnian capital to other zones of military actions. The Russian initiative displayed other possibilities of solving such problems, which can presently be exploited to open the Tuzla airport and to relieve Dutch peacekeepers in Srebrenica.

The latest events in Bosnia showed that Russia should be actively involved in the Balkan peace process. The world community is gradually coming to understand this. Thus, British Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd admitted in today's interview with the French newspaper LE FIGARO that the international community's first successful step towards a peaceful solution in Sarajevo had been to a considerable degree due to Russia's positive initiative. And one of the lessons to be learned by Western countries from the latest developments is that they should always inform Russia about measures they are going to take for settling the conflict, Mr. Hurd noted.

Promises To Boost 'Peaceful Offensive'

LD2302190394 Moscow ITAR-TASS in English 1831 GMT 23 Feb 94

[By ITAR-TASS correspondent]

[Text] Moscow February 23 (TASS)—Russian President Boris Yeltsin said on Wednesday [23 February] that the Sarajevo crisis was a test for the Russian foreign policy and promised to boost "peaceful offensive" to achieve a breakthrough in the general Bosnian settlement.

"The Bosnian crisis was a test of the firmness of our course in the world which showed the true potential of the Russian foreign policy", Yeltsin said at a meeting with Moscow teenagers studying in military colleges.

"In close cooperation with the United Nations and our partners we shall boost the peaceful offensive. The objective is that the ceasefire in sarajevo becomes a breakthrough to peace in the whole of Bosnia", the president stressed.

The crisis tested "our capability to resolutely defend the national and state interests of the country. Russia, as a UN Security Council member, as an equal participant of the community of democratic states demonstrated its right to participate in adopting key decisions of the world politics... which concern its lawful interests and international obligations. Our voice was heard in the world", the president said.

"The mechanism of partnership with the West was also tested. Although not immediately, with faults, but it did work", the president said adding that Russian stance on dialogue and cooperation with leading powers of the world has justified itself.

"The Sarajevo crisis has also spotlit the correctness of our course towards all-round strengthening of the United Nations as the major international organisation in ensuring peace", Yeltsin stressed.

As a result a ceasefire in Sarajevo was achieved without a further escalation of the military conflict, according to the president. "The logics of peace must, finally, win over nationalistic emotions which brought the peoples of Bosnia-Herzegovina to the top limit of human sufferings", Yeltsin said.

The president expressed hope that the conflciting sides would stand up to their commitments, ensure a reliable ceasefire and avert provocations against international peace-keepers, including the Russian force in Sarajevo.

Churkin on 'Political Coalition' To Solve Bosnia Crisis

LD2302153294 Moscow ITAR-TASS in English 1511 GMT 23 Feb 94

[By ITAR-TASS correspondent Aleksandr Krylovich]

[Text] Moscow February 23 TASS—The creation of a "political coalition" to solve the crisis in Bosnia is the major result of the Bonn meeting of representatives of Foreign Ministries of Russia and the West, according to Russian envoy to former Yugoslavia Vitaliy Churkin who arrived from Bonn on Wednesday [23 February].

"The meeting demonstrated a high level of coincidence in approaches and assessments regarding what is to be done in Bosnia-Herzegovina", he told reporters.

The political essence of the Bonn meeting will determine practical steps in the near future, according to Churkin who said that "now we have passed the crisis situation and are moving to intensive political contacts".

He stressed that it is important to avoid new crises in Bosnia-Herzegovina.

'Too Early' To Speak of Summit

LD2302193194 Moscow INTERFAX in English 1721 GMT 23 Feb 94

[Text] Countries interested in the settlement of the armed conflict in Bosnia-Herzegovina have passed through the crisis stage on to intensive political contacts. The main goal of today is to prevent another aggravation of the situation in Bosnia, Russian Special Presidential Representative, Deputy Foreign Minister Vitaliy Churkin told a press conference in the Moscow airport "Sheremetievo-2" after his arrival from Germany today.

Churkin said the main outcome of a meeting between representatives of the UN, EU [European Union], Russia, the US and Canada in Bonn is the creation of "a political coalition for the settlement of the conflict in Bosnia." He added that meetings of this kind will be continued. "The experience demonstrates that such a meeting can be convoked within 24 hours," he said.

The diplomat put a special emphasis on the fact that the Bosnian crisis was attended on the highest level both in Russia and other countries. "This creates pre-conditions for pushing the peoples of Bosnia-Herzegovina to a peaceful settlement. However, the last word rests with them," he said.

Speaking on the transfer of the Russian battalion within the UN peacekeeping forces in the former Yugoslavia to Sarajevo, the deputy minister said "their security cannot be guaranteed by 100

as they serve in the most dangerous area, on the line separating Serb and Moslem armed formations."

"Security of Russian servicemen is our priority. We have done our best to politically guarantee their security," Churkin said.

In his opinion, there is no need for a stronger Russian contingent in the region so far. "However, we need to prepare an additional contingent. As soon as a ceasefire is established in Bosnia, Russia will need to reinforce its peacekeepers," he was quoted as saying.

Churkin said he was satisfied with the contacts with the Serb political leadership and military command. "Russia lays no claims to the Serb side which solved issues of deblockading Sarajevo very flexibly," the diplomat stated.

Churkin said Russia's relations with the NATO "may change only for the better." "The present crisis in Bosnia-Herzegovina has been a lesson for all of us. It must be evident for the Western partners that Russia's positions in Europe are highly influential," he said.

In his speech, Churkin warned against euphoria. "The situation in Bosnia remains tense. There are many dangers. However, it is important not to slow down the pace and achieve a peaceful settlement. If no settlement follows, the present psychologically favorable moment may be missed," he said.

Asked whether Yeltsin's initiative to convoke a summit of five world's leading nations interested in settlement in Bosnia could come off, Churkin pointed out that "it is too early to speak of this seriously." "There are many variants of meetings with the participation of Russia and other states involved in the peaceful settlement, including those on the highest level," he said. However, no specific proposals have been made so far, Churkin added.

Comments on Bonn Meeting on Bosnia

LD2302183494 Moscow ITAR-TASS World Service in Russian 1740 GMT 23 Feb 94

[Excerpt] [passage omitted] Speaking on security guarantees for the Russian peacekeeping contingent in Bosnia-Herzegovina, Vitaliy Churkin said that regrettably there was no 100 percent certainty on this score. According to him, the region where the Russian battalion was carrying out its duties is one of the most dangerous in Sarajevo. At the same time, the Russian

diplomat stressed that "every necessary step is being taken to create political guarantees of security."

With regard to the possibility of increasing the Russian contingent of peacekeeping troops, Vitaliy Churkin said that "there is no immediate necessity for this to be done." However, in his opinion, the need for additional peacekeeping forces will certainly arise in the near future, when a peace agreement in Bosnia-Herzegovina is reached.

The Russian diplomat believes that "there are still many dangers in Bosnia and Herzegovina. There is no place for euphoria. It is important not to lose momentum and get down to political settlement. If there is no settlement, this psychologically opportune moment can be lost and all sorts of things might yet happen in Bosnia-Herzegovina."

In Vitaliy Churkin's opinion, there are no "fundamental differences" in Russia's or NATO's approaches to the Bosnian crisis. He stressed that now everybody understands that "the Sarajevo experience cannot fully be transplanted to other regions and hot spots in Bosnia and Herzegovina." At the Bonn meeting, in particular, there were no calls for using strong arm tactics. There was full understanding of the need for political settlement.

Shaposhnikov Praises Efforts To Avert NATO Air Strikes

LD2302152994 Moscow ITAR-TASS in English 1512 GMT 23 Feb 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow February 23 TASS—Participating in the Sarajevo settlement, Russia as a member of the world community has upgraded its own status, Marshal of the Russian Air Force Yevgeniy Shaposhnikov said in an interview with TASS on Wednesday [23 February]. He highly praised the efforts taken by the Russian president and diplomats for averting NATO threatened air strikes in Bosnia, noting that Russia "demonstrated its capability of moderating by peaceful means armed conflicts exhausting both big and small nations".

Shaposhnikov expressed sincere support of Russian soldiers serving now in the U.N. peacekeeping forces in former Yugoslavia, assessing their mission as a historic one. On day of Fatherland's defenders, the Marshal wished Russian servicemen, wherever they are staying at the moment—in Serbia, Bosnia-Herzegovina or on Afghan border—to be steadfast, self-controlled and to fulfil their military duty in the way Russians have always done, from the time of the battle of Kulikovo to the Great Patriotic War.

Kostikov Says Yeltsin Won in Bosnia Where Others Failed

LD2302173194 Moscow Ostankino Television First Channel Network in Russian 1500 GMT 23 Feb 94

[From the "Novosti" newscast]

[Text] [Announcer] President Yeltsin condemned attempts by some Western leaders to stop Russia from resolving some important world issues. Here is the opinion of Boris Yeltsin's press secretary, Vyacheslav Kostikov, on the latest events around Yugoslavia.

[Begin Kostikov recording] I would like to recall in this respect that recently the opposition accused the president of all the deadly sins: in betraying Russia's interests and in selling himself to the West, and in playing to the foreign policy tune of the United States... How much speculation there were around trips to Yugoslavia. All and sundry went there, in an attempt to earn some political brownie points on the Yugoslav crisis.

President Yeltsin, however, managed to succeed where our political chatterboxes failed—he demonstrated in deed the clause, enshrined in the new constitution, that it is the President of Russia who is the guarantor of Russia's national security.

A few more words on the president's role in these events. Let us word this issue in simple terms: Who, except for President Yeltsin, could say today such a weighty and decisive word—so that it would have been heard in Sarajevo, Bonn, and Washington—in the whole world, as a fact. There is no other person like this now. [end recording]

Says NATO Using 'Cold War' Ideology

LD2302124794 Moscow ITAR-TASS in English 1222 GMT 23 Feb 94

[By ITAR-TASS correspondent]

[Text] Moscow February 23 TASS—Spokesman of the Russian president said NATO threats to deliver air strikes on Bosnia show that the alliance is "still imprisoned by 'Cold War' ideology, despite all peace-making rhetorics".

After the Russian initiative averted air strikes on Sarajevo, "statements came from NATO and several high-ranking diplomatic circles which contain barely hidden disappointment that NATO had not used its assault airforce. The idea is being imposed that the NATO ultimatum should be used to 'ensure order' in other places of the conflict. Moreover, attempts are made to shade the Russian role in initiating a diplomatic solution of the conflict. Special bewilderment is caused by attempts to doubt the capability of the Russian peacekeeping force to professionally and impartially fulfill its duty", Vyacheslav Kostikov said in a statement on Wednesday [23 February].

"There is an impression that NATO, despite peacemaking rhetorics, is still imprisoned by the ideology of the Cold War. Psychologically one can understand that it is difficult for NATO to adapt to a sharp change in political realities caused by the birth of a democratic Russia. However, the price in human lives, the risk which, as it turned out, the NATO command is ready to take to support its status cannot but cause concern", the spokesman said.

The Russian president is sure that Russia should and will participate in solving all major international problems, according to Kostikov who added that Russia will not allow any discrimination regarding itself. "However, the new Russia is not going to participate in any ritual sacrifices", he stressed.

"Russia rejects the language of military ultimatums and welcomes the language of diplomacy. A return to the psychology of the Cold War, heightening mistrust, a new wave of spy mania would contradict the ideas of international partnership for peace", Kostikov said.

The Russian president is convinced that "the arguments of peace in Europe are weightier than the arguments of war and invites leaders of Europe and the United States to draw a line under the Bosnian conflict at a table of negotiations", he stressed.

Military Official on Redeployment of Troops in Sarajevo

LD2302205694 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 23 Feb 94

[Interview with Colonel General Yevgeniy Podkolzin, commander of Russia's Airborne troops, by Vladimir Solovyev, in Eastern Slavonia on 23 February—live or recorded]

[Text] [Solovyev] Today on the Day of Defenders of the Fatherland at the main base of the Russian battalion in the former Yugoslavia in Eastern Slavonia, the traditional parade with presentation of medals was not held. Parades have been postponed until better times. Out of 1,200 soldiers and officers, 400 have been dispatched to Sarajevo from here.

[Podkolzin] Today they have already been fully deployed there, they have been deployed normally. There is electricity. So far there is no heating, but it was promised that in the course of the next two days they would be supplied with heating.

The battalion has already received a combat task. Today the battalion is serving in the main areas: it is guarding one area for the collection of the Serb weapons under an accord which was reached between the Muslims and the Serbs—and one group is today serving at Sarajevo airport. Well, and the others have received the task of patrolling the separation line between the Serbs and the Muslims. I got in touch with General Rose, and he said that on the whole they would be serving in very difficult sectors, difficult areas. We were on the brink of this disaster but both the Serbs and Muslims have carried out their obligations as a result of which the strike was called off, and let's pray that there won't be another one.

[Solovyev] Do you think that your battalion will be there for a long time?

[Podkolzin] Until they set about the next stage of the cease- fire—this is the opening of the roads for the delivery of humanitarian aid and other issues—no less than two months will elapse—but as a whole, it would appear that the contingent will have to be kept there probably no less than two years; this is my personal opinion.

Top Brass Reluctant To Send Reinforcements to Bosnia

MK2302091094 Moscow KOMMERSANT-DAILY in Russian 23 Feb 94 p 3

[Ilya Bulavinov report: "Russian Military Wary of Boris Yeltsin's Plan for Yugoslavia"]

[Text] In the near future Russia will apparently send an extra contingent of peacekeeping forces to Bosnia to reinforce the 400 paratroopers moved from Croatia to Sarajevo. This matter is currently being discussed by politicians and diplomats. Meanwhile, the Russian military are growing ever more wary of various sorts of political agreements and, according to KOMMERSANT-DAILY reports, from now on they are intent on assessing the actions by politicians from the point of view of their readiness to heed the Armed Forces' interests.

Against the backdrop of universal euphoria with regard to the truce in the Sarajevo area, Russian servicemen appear to be the only ones who are not showing any particular pleasure in that regard. The top brass in Moscow has always been wary of UN attempts to have Russia enhance its military presence in the former Yugoslavia. The Defense Ministry is positively certain that should hostilities resume, under no circumstances will any Russian officers order shooting on Serbs. Accusations of supporting "religious brothers" that will be inevitably hurled against the Russian servicemen following such a refusal would give NATO a pretext to support the Muslims in response, something which may cause an escalation of the Yugoslav conflict.

Pavel Grachev has suggested in a telephone conversation with his U.S. counterpart, William Perry, that the United States send in its troops to observe the truce from the side of the Bosnian Muslims. His proposal was effectively turned down (KOMMERSANT-DAILY reported the talks in yesterday's issue), so Russia will still have to reinforce its contingent in Sarajevo unilaterally.

There is yet another reason for the army's reluctance to be involved in peacekeeping operations. In the Defense Ministry's view, particular importance should be

attached to conflicts under way near the country's borders on CIS territory. Currently, over 16,000 Russian servicemen are involved in efforts to settle them. Unlike the "blue helmets," they have neither peacekeeping status, nor financial support from international organizations.

Krakow Conference To Confront 'Difficult Questions'

PM2302171594 Moscow PRAVDA in Russian 22 Feb 94 p 3

[Mikhail Tretyakov report: "'Canards' Flying in From Across the Ocean. On Russian-Polish Relations"]

[Excerpts] Warsaw, 21 Feb—It is planned to hold a Russian-Polish government-level conference under the motto "On the Path to New Partnership" 23-25 February in Krakow. A Russian delegation headed by Russian Foreign Minister A. Kozyrev will take part.

The aim of the conference is to assess the state of Russian-Polish political and economic relations and elaborate mechanisms to strengthen mutual cooperation. This meeting could play an important role in eliminating obstructions in the way of raising the effectiveness of our cooperation and finding compromises for the many controversial questions which have emerged following B. Yeltsin's visit to Poland last year.

However, the prospects of a warmer climate in Moscow-Warsaw relations is evidently not to Washington's liking; judging by its actions, it has not given up plans for creating a "cordon sanitaire" around Russia.

We say nothing about how this is being done at the diplomatic level, where everything is always shrouded in mystery; but at propaganda level such trends can be clearly outlined.

You do not need to go far to find examples. Literally on the eve of the conference the influential WPROST periodical published an article by a staffer of the U.S. Hoover Institute in which the author, clearly distorting historical facts and making vague hints, dumbfounds readers with the claim that during World War II Krakow was saved from destruction by the Hitlerite invaders not through the heroism of liberating Soviet servicemen but as a result Vatican pressure on Berlin. [passage omitted]

What is this—the latest attempt to falsify history, and, what is more, so obviously? Evidently not! This is big-league stuff. It even includes elements of psychological warfare, aimed at setting Slavs at loggerheads with each other by playing on religious feelings, and even using blatant lies in the process. They are also counting on the fact that there are few eye-witnesses of these events left, and indeed that anti-Russian sentiments, stirred up by certain political circles on the Vistula, have been reinforced in Poland in the past four years.

To follow these "sensational historical facts" the U.S. special services are putting new, "fresh" ones, into circulation. A few days ago THE WASHINGTON POST published an article which, citing a former high-ranking CIA staffer, claims that during the 1980's, without the USSR's knowledge, the Poles sold large consignments of state-of-the-art secret Soviet weapons to the Americans to the tune of over $200 million. Some types, notably the "Strela" missile launchers, were then sold by the Americans to the Afghan mojahedin, who used them to shoot down Soviet military aircraft.

Such insinuations by THE WASHINGTON POST have clearly placed the Polish Ministry of National Defense in an impasse. Its spokesmen were clearly shocked. Polish National Defense Minister Piotr Kolodziejczyk called the article an act of provocation.

Whereas in the first case the Americans were making snide remarks about Poland, in the second this was obviously aimed at Russia, counting on the fact that Moscow was bound to be annoyed at the "perfidy" of its former Warsaw Pact ally.

It cannot be ruled out the Washington is currently going through a period when its head is being turned with success following the collapse of the USSR and the significant weakening of Russia, which is busy with its own serious domestic problems. It is trying to dictate its terms of play to the world even by rewriting history and spreading obvious disinformation.

The question is solely one of whether our two neighboring countries should be led by Washington and shut themselves off from each other by a wall of hostility. Or whether they should nevertheless be guided by pragmatism and reestablish relations on the principles of partnership and mutually advantageous cooperation. It looks as though the Russian-Polish conference in Krakow will provide some answers to these difficult questions.

Kozyrev Addresses Conference

LD2302193694 Moscow ITAR-TASS in English 1903 GMT 23 Feb 94

[By ITAR-TASS correspondents Aleksandr Potyomkin and Georgiy Shmelyov]

[Text] Krakow February 23 (TASS)—Russian Foreign Minister Andrey Kozyrev outlined a new concept of all-European partnership, addressing a conference of Russian and Polish economists and political experts "on the way to new partnership" held in an ancient cathedral in Krakow.

The most important out of the seven elements of partnership suggested by Kozyrev is the development of European-Atlantic interaction. This interaction should be based on the transformation of CSCE into an efficient regional political organisation, and the Council of North

Atlantic Cooperation - into an independent structure of military and political cooperation closely connected with the CSCE.

The aim of this is to coordinate efforts made by NATO, EC, the Council of Europe, the European Union and the CIS in the field of strengthening stability and security, peace-keeping activities and defence of rights of ethnic minorities in Europe.

Kozyrev suggested creating a network of complementary bilateral agreements on partnership, cooperation and consultations not only between NATO and countries of Central and Eastern Europe. "We do not rule out that Russia might become part of NATO some day, but the idea of partnership is the key problem today," he said.

"The dignity and far-sightedness of the "Partnership for Peace" programme adopted by NATO leaders is that it works as if opening NATO, taking a first step on the way from changing it from a bloc into another form of ensuring security, thus fully meeting our concept of the European partnership. In perspective, we expect the opening of the communications channel "The CIS - NATO," Kozyrev said.

"We want to put into practice a principle of indivisibility of security on the entire European continent," said Polish Foreign Minister Andrzei Olechowski, addressing the conference. He said that the way to such Europe without demarcation lines lies through the expansion of existing Western European structures.

In Olechowski's opinion, "partnership for the sake of transformations" is necessary in relations between Poland and Russia. He called on the West to render no less assistance to Russia than to Poland. Russia should have a permanent seat in the G-7, the European Community should give Russian goods an access to the European market, and financial institutions and developed Western countries should effectively support the stabilisation and convertibility of the Russian rouble, the Polish minister said.

"The whole world is aware of it, agrees with it, but is not in a hurry to offer aid," Olechowski said.

Criticizes NATO Moves in Bosnia

LD2302184594 Belgrade TANJUG in English 1805 GMT 23 Feb 94

[Text] Warsaw, Feb 23 (TANJUG)—Russian Foreign Minister Andrey Kozyrev on Wednesday [23 February] sharply criticized NATO members for trying to solve the Bosnian conflict on their own, and called for joint actions to achieve peace in Bosnia.

Russia was ready to send more troops to Bosnia, if it was necessary, Kozyrev said in an interview to the Polish television in Krakow, where he took part in the [word indistinct] Russian confermce on the new partnership.

It was a big delusion to think that NATO was able to solve every problem unilaterally. He criticized NATO members for deciding about the Sarajevo action without prior consultation with the east.

NATO was last week ready to launch air strikes in the Sarajevo area acting on the ultimatum to the warring sides to demilitarize that city. In reality, the threats were addressed to the Bosnian Serbs alone.

The Bosnian Serbs started withdrawing heavy weapons around Sarajevo on Friday, only after the Moscow initiative and guarantees, and Russian peacekeepers were deployed on the line dividing the Serb and Moslem side.

Concludes Visit to Poland

LD2302170194 Moscow ITAR-TASS World Service in Russian 1514 GMT 23 Feb 94

[by ITAR-TASS special correspondents Aleksandr Potemkin and Georgiy Shmelev]

[Text] Krakow, 23 Feb—The working visit to Poland by Andrey Kozyrev, foreign minister of the Russian Federation, ended with the laying of flowers on the grave of Soviet soldiers beside the walls of the old tower in the center of Krakow. The ceremony was also attended by representatives of the city authorities and by the inhabitants of the ancient capital of the Polish kings.

A. Kozyrev then headed for Balice airport, from where he left for home. The Russian minister was seen off by Polish officials, the president and governor of Krakow, and also by the Russian ambassador to Poland.

Interviewed on Return From Poland

LD2302225794 Moscow Ostankino Television First Channel Network in Russian 2042 GMT 23 Feb 94

[Interview with Foreign Minister Andrey Kozyrev by Boris Kalyagin in Moscow on 23 February; from the "On the Way to New Partnership" program—live or recorded]

[Text] [Kalyagin] Andrey Vladimirovich, your meetings with the Czech, Polish, and Hungarian leaders coincided with the Russian initiative in Bosnia. As one knows, the countries of the Visegrad group reacted differently to the NATO ultimatum, and how did they perceive our initiative? How close are our and their approach to the settlement in Bosnia?

[Kozyrev] I think everyone perceived our initiative unanimously positively. This was said in public and, in particular, we were discussing it in detail during our meetings. Why? Because, as Hungarian President Arpad Goncz said publicly—and he is one of the authoritative leaders in Central Europe—first of all, we have saved Yugoslavia—Serbia—from an escalation of the conflict which nobody wants, on the contrary, there is too much violence there and it should be extinguished.

Second, according to him, we have saved NATO from the necessity of taking the measures which are unpredictable by their consequences. Imagine, if the air strikes had taken place, what would have followed? Indeed, the situation is unpredictable.

Of course, our initiative was welcome. We are interested in using the momentum of the positive movement created by President Yeltsin's initiative not for gaining points for ourselves, but for uniting everyone's efforts in order to resolve the tragic situation in Bosnia.

[Kalyagin] I would like to return to the issue of our relations with the Central European countries which you have visited. You said that we have wonderful relations with all members of the Visegrad group. But one problem still exists—joining NATO. They agreed to take part in the Partnership for Peace program, but they underline that they consider it to be the first step on the way to joining NATO. What is our position?

[Kozyrev] I would like to tell you that the attitude is already changing. We all would be bad politicians and bad diplomats if we thought that somebody said something and then we were right whatever was happening. The logic of life says that the diplomacy should be flexible, and we do take into consideration what our Central European partners are saying. This was the meaning of my visit—not only to say what we think but also to listen to them because we should understand what people in Central Europe think. Life there is not the same either. For example, there was a news conference this morning. This was my joint news conference with Andrzej Olechowski, the foreign minister of Poland. This is the country which, let us say, tried most actively to join NATO. He even said that at the moment it is very important to have partners and then we shall see what to do, maybe we all join NATO—by the way, maybe even Russia, we do not rule out that at some stage or after some stage we will also join NATO. He even said that it is possible that NATO will dissolve or transform into some wider system of security. You can see that some variations have already appeared.

[Kalyagin] You took part in a conference which focused on a search for ways towards a new partnership. What recipes for achieving a real partnership does the Polish side offer?

[Kozyrev] It was not to their desire to join NATO that Olechowski devoted most of his speech at the conference today. This was not the leitmotif of his speech. The leitmotif was: we must cooperate both in the West and in the East. You see what sort of an idea this is. Former COMECON links have been severed but we must restore them on a new foundation, on the basis of mutual advantage, market relations and so on. Does this not show that things are being seen differently now? This means that we have been understood, we have been heard. After all, NATO—you may cooperate with it as much as you like—but NATO is a military-political bloc, and where does this leave economy? Where does economy stand in this process, or the human rights, or democracy, or cultural links—is there no need for these things? And now, you will have noticed that 80 percent of the Polish minister's speech was about economic ties, the ties in the East, with Russia.

[Kalyagin] You paid very great attention to economic interaction, especially in Hungary. What specific results were achieved?

[Kozyrev] I think that we need to prepare the specific results. We are drawing up agreements to avoid dual taxation and to protect investments. Just pay attention here to the words. It is not as it used to be—an agreement that we would supply them with a certain amount of goods and they would supply us with a certain amount of goods. That was under the planned economy. Now it is a question of protection against dual taxation, that is to say, of the involvement of commercial interests on both sides. That is to say, we are not imposing anything on anyone, but the government must create the conditions for economic revival.

[Kalyagin] Summing up the results of your whole trip, what would you regard as its chief outcome?

[Kozyrev] I think the chief outcome is that I have managed to fulfill the task set by the president. That task lay in the fact that, after there had been a certain collision or clash of views over the question of immediate NATO membership, some people in Central European countries were of course insisting that it was essential to become NATO members immediately. We said: let us not be precipitate, let us think it over for a while. The task was to achieve a normal dialogue precisely on those issues about which you have been speaking: how to organize our security and how to cooperate economically. You see, it was about removing tension and arriving at a normal agenda. I think that we managed at least to a considerable extent to fulfill this task set by the president.

Obstacles to Country's European Union Accord Seen

MK2302103094 Moscow NEZAVISIMAYA GAZETA in Russian 23 Feb 94 p 2

[Dmitriy Gornostayev report from Athens, Prague, and Budapest, under the "Diplomacy" rubric: "Russia Hopes To Sign Agreement With the EU. Its Drafting Now Hampered by the Russia-West Problem of Nuclear Commodities Export"]

[Text] An important part of Andrey Kozyrev's talks with his counterparts from three European countries—the former, present, and future EC chairmen from Belgium, Greece, and Germany—is the drafting of an Agreement on Partnership and Cooperation with the European Union [EU] based on the eponymous declaration signed by Russian Federation President Boris Yeltsin with EU leaders in Brussels last December. At present, stressed

Galina Sidorova, political adviser to the Russian foreign minister, it is necessary to specify the principles incorporated in the declaration.

There are a number of obstacles along this road, however. One moot point in the drafting of an agreement is the export of nuclear materials; another is the problem of Russian legislation in the banking sphere. According to G. Sidorova, Russia is assuring its Western partners that the second moot point could be resolved in the nearest future.

The problem of selling nuclear materials appears more difficult. There are a number of states fearing Russian import in this sphere. They want to assign to Moscow rather low quotas although this item of export is one of the most profitable for it. Russia is naturally unhappy with this, and is arguing for the removal of any restrictions in this area of trade, proceeding from the fact that other countries trading in nuclear materials are not restricted by quotas either under GATT or other international trade agreements. The West still continues to fear competing with Russia on the nuclear products market. Moscow, however, is hoping to sign an agreement with the EU in this sphere in the coming six months, even before the termination of the chairmanship of Greece, which has assured Russia that it would facilitate this in every way, something that was stated by Greek Prime Minister Andreas Papandreou when he received Kozyrev in Athens.

During the talks in Athens, the Russian minister and his Greek counterpart Karolos Papoulias discussed, in addition to international questions, those of bilateral cooperation. Kozyrev invited Papoulias to visit Moscow this coming April. It is perhaps then that a number of Russo-Greek documents regulating, among other things, consular relationships will be signed.

Political Issues

Yeltsin Addresses Nation, Federal Assembly 24 Feb

LD2402101594 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 24 Feb 94

[Speech by President Boris Yeltsin to the Federal Assembly in Moscow—live]

[Text] Esteemed chairmen of the Federation Council and the State Duma, esteemed members of the Federation Council, esteemed deputies of the State Duma: It is with special feeling that I have stepped to this podium. Today's address is an extraordinary event in my life and in my political career. It is the first time that the new Russian parliament is to hear the president's address.

Russia begins to chart its policy in a new way. Writing this address was not an easy task. The difficulty was because I wanted to put too many things into it. We need to accomplish still more. Therefore, it is important not to dissipate our efforts and concentrate everything—our resources, political will, intellectual potential, and the people's enormous desire to live better—on the key areas in order to achieve the results together.

This is why not only the present situation but also the ideas for the future proposed by you—including those put forward during the election campaign—are reflected in this address.

Regrettably, in 1993 a lot of energy was expended on tough political confrontation. Extreme measures could not be avoided, either. But we prevented civil war. People could see for themselves that there would be no winners in an irreconcilable struggle. It can have only one result—the destruction of Russia. The time of internecine strife has expired completely for Russia.

There were successes and profound disappointments on the path of reforms. But if you ask me today if I would start these difficult changes again, the answer will be unequivocally yes. Both then and now I am convinced that there was no other path. In January 1992 we were forced to start something we could not avoid.

We are gradually learning lessons during every month of our lives. It is impossible to transform a country like Russia in one attempt. What is needed is a flexible, long-term, anticipatory policy that takes into account Russia's peculiarities, the national character, and changes in the public interests and moods—the mentality of the people of Russia—which for decades was being molded in a different direction.

In the last few months we have come to understand better one important truth: In order to achieve success, we need to bring into play tremendous and so far almost unused reserves—the reserves of cooperation in constructive work. This is an indisputable requirement for all of us, for those who have entered parliament, for those who are prepared to share the responsibility for Russia's destiny.

Let us be realistic and let us acknowledge that a part of the opposition still wants to take revenge by force. On both sides there are those blinded by the need to take revenge on their ideological opponents. However, hatred and the thirst for vengeance can only worsen Russia's serious illness.

I want to say another thing: Social accord is not forgiveness for all. Compassion is compassion only when it does not contravene the law and moral standards. There is a foundation for accord in Russia today: the Constitution—adopted by a popular vote. Let us ask ourselves: Is there another, more solid foundation? There is not.

No one party, no one movement, no one group of intellectuals, no one politician or statesman has the same degree of support today as the Constitution. It won the votes of people of the most varied convictions and outlooks. Having lost faith in many things, they nonetheless went to the polling stations and gave to the state a law that is binding, above all, on those who are in power.

Our country is experiencing today one of the most complex moments of its history; however, Russia did not begin with Peter the Great or the October Revolution of 1917. It does not end with the collapse of the communist superpower. The empire that not long ago intimidated all of mankind while suppressing real life for the Russian people and all of its other peoples is no more.

The Russian state, however, has still not taken a worthy place in the world community. We no longer have the state that acted as a strict supervisor and ruthless judge toward its subjects. We should also acknowledge, however, that there is still the absence of a fully democratic and lawful state in Russia.

Most people are constantly worried about what tomorrow will bring, about the future of their children and their elderly parents. But the authorities, both in the center and in the regions, seem not to notice the rapid stratification of society. One has to act responsibly and acknowledge that we are underestimating all the dangers this stratification brings.

I am not calling for a return to universal egalitarianism in poverty, to the notorious dispossession of the kulaks. But in this matter, in this extremely fine matter so painful for society, one should not allow the process to be totally spontaneous and uncontrolled.

We are painfully learning that a bureaucratic and self-devouring economy, in which 10 people are doing what one person can normally do, has no future. But so far we do not have a normal market economy either. It is those who cheat and use violence who are at ease. The honest,

enterprising people who are not afraid of working and taking risks find it extremely difficult today to start their own business and grow.

All these are today's realities, however hard it is to admit it. True, our country has greater freedom, but this is not enough. Our task is to ensure that Russia has greater justice, security, and confidence in today and tomorrow. We have already seen that it is impossible to build Russia properly at the will of some manager, party, or individual. The time has come for a new political style of trust and constructive cooperation, mutual understanding, and agreed action. The time has come for a nationwide action that can unite efforts of all of us. We have such an action. It is the strengthening of statehood, the strengthening of the Russian state. Let's acknowledge at last: As long as we have a weak state, there is no basic law and order in the country. All residents of the country and all peoples of Russia are interested in a stable and strong state because all of us, irrespective of our nationality or place of residence, need civil peace and not interethnic conflicts. All parties and political movements and all factions of the State Duma should be interested in strengthening the state. It is only in a sound and strong state that they can count on an honest implementation of the interests of their supporters.

Our closest neighbors have a vested interest in the Russian state being stable and strong, for it is precisely a strong Russia that is the most reliable and realistic guarantor of stability for the whole territory of the former USSR.

The world community also needs a strong Russia; otherwise, it will be a permanent source of threat to security and to mankind. A strong and vigorous state is a most important condition for the continuation of transformations in our country. A healthy and civilized market will not gain a firm foothold without such a state; nor will democracy reveal its true worth or the great Russian culture and morality be reborn. The strengthening of our state is an indisputable goal that can and should unite all Russian people in this dramatic period the country is going through.

The strengthening of the state is a task for us all. It will make it possible for the president, the Federal Assembly, the government, and the constituent parts of the Federation to all channel their energy for the good of Russia.

We began this work many times over the past few years; however, until now it had no legal basis to underpin it and was carried out in a chaotic and inconsistent manner. The state, in its current configuration, fails to cope with its most important functions. This pertains, above all, to safeguarding order and the rights and safety of citizens.

The country is being engulfed by crime. To this day, the existing state structures are permeated by a spirit of irresponsibility and arbitrariness. Life in our country is still bound up in innumerable petty restrictions and limitations. The work of both central and local authorities suffers from much confusion and incompetence. The army of bureaucrats is rapidly growing. In a situation of heightened financial tension, the federal authorities, with amazing ease, are spending vast sums of money on themselves. This growing appetite is doing more to undermine the state's reputation than any mistakes or miscalculations. This is not to mention the taxpayers' pocket: It is their money that supports all of us.

All this testifies to the fact that a new alienation between the authorities and the everyday needs of the people is appearing and has appeared. If bureaucracy previously stood between them and the nomenkatura caste, then today money must be included as well.

It is precisely the disgrace of corruption that is increasingly often the gulf preventing a solution to many issues. This is what I was speaking of: the grave illness of Russian statehood. The task to unite us today—the president, parliament, and government—is to stop these destructive processes. We do not have to create anything. We have only one effective medicine and that is to strengthen the state on the basis of the Constitution.

This will produce a result if we work together. We need a common program of state reforms in the Russian Federation. Its strategic aims are:

First, the state authorities should work not for themselves but for the precisely identified and formulated interests of Russia and its citizens. This means a shift away from the policy of impulsive reactions toward a strategy of considered anticipatory actions.

Second, power should be effective. This means the desire and ability to finish off what has been started and to assess very toughly any possible shortcomings in the decisions made. Judicial reform occupies an important place here. A strong third estate does not weaken but, on the contrary, strengthens the other estates. I attach particular importance to the Constitutional Court, which should objectively interpret the Constitution. Local self-government needs to be developed and provided with legislation. In this connection, perhaps there could be joint consideration of the timing of elections. Serious attention needs to be paid to reform in the army, to regulating the state border regime, and much more.

Third, an end must be put to the apparatus free-for-all, in which any sensible decision or initiative is stifled in the death grip of the apparatus. The method is known: the clear regulation of functions and responsibilities. Unfortunately, this is absent thus far.

Fourth, power must become open and understandable for people. This means that dialogue needs to be developed, the formation of a civic society needs to be promoted, and we should not cut ourselves off from the mass media, but rather help them to pursue the policy of constantly removing state control from the press—although, there needs to be moderation here as well, of course.

The television channel that, via the Orbita system, preserves the integrity of the Russian information zone and encompasses the near abroad and European countries, should have the state as its proprietor.

A strong state is essential, above all, to combat crime. This is the most important issue of the year. In this respect, our cooperation is especially necessary. The public awaits from the Federal Assembly laws on which the state can rely to defend their safety and tranquillity. I think that it is correct to combine two ideas here. The first is to continue preparation of new criminal legislation. The current legislation is hopelessly out of date, and it is increasingly difficult for the law-enforcement agencies to use it to oppose criminality. The second is to adopt laws designed to resolve urgent issues of providing the law-enforcement agencies with the essential statutory documents.

Rapid drafting and adoption by parliament of a law on extraordinary measures to suppress crime should be the first move in this direction. Russians will accept such a decision with understanding. The law-enforcement system is also ready for its implementation. Our mutual task in this area is not to sink into a state of affairs in which extraordinary emergency measures are again becoming institutionalized. We should not allow any infringement of citizens' rights. We should give necessary powers to the law-enforcement agencies. We should also mobilize all the state and public institutions for fighting crime and clearly define their tasks and their responsibilities.

Tired of waiting in vain for the federal legislative acts, authorities in a number of regions have already started implementing similar measures themselves. By doing this, they have succeeded not only in putting criminal situation securely under control, but also in improving it.

We have no right to economize on ensuring a secure environment for our people in the present day situation. However, we should finance only the clearly-defined areas and programs aimed at fighting crime. A number of these have already been drawn up and adopted. Together with long-term, wide-scale measures, it is urgently important to implement measures to combat street violence. Organized crime needs special attention. Today its aim is to strangle the country. Only by joint, decisive, and consistent actions will it be possible to protect Russia from it. Specialists have been suggesting such actions for a long time.

One of those measures are enshrined in law is to allow law-enforcement bodies to use the potential amassed in the last few years to launch sustained blows on organized crime and corruption.

For all the people of Russia, strengthening the state has an additional profound meaning. We are talking about preserving the country. Russia is too dear to us to even think about its disintegration. Unity cannot be ensured by force or deceit. It cannot be preserved by setting some peoples against others. A path of federalism is a path toward truly strengthening Russia. It is clearly outlined in the Constitution. This does not mean, however, that a federation has already been built.

The delimitation of powers and property between the federal authorities and the constituent parts of the federation is proceeding extremely slowly. During this year, this matter must be sorted out.

Another no less important task is to build the vertical structure of federal power in Russia. It is in the interests of the federation that regions are granted maximum opportunities in governing, but the functions retained by the federal authorities must be performed in a coordinated manner throughout the country—be it the system of national security, in the power engineering complex, in the communications network, in the information network, and so on.

It is the task of the year to surmount the clear injustice with regard to regional benefits and privileges. Standard criteria for the extension of benefits from the federal taxes and credits are needed as the very air we breathe—the clearer they are, the less abuses there will be.

Interethnic conflicts, both within the country and near its borders, pose a real threat to the stability of the Russian Federation. Such conflicts are the result of previous injustices and mutual grievances. Internecine strife and the number of such conflicts grow day by day, hour by hour—and the longer this goes on, the more complicated it becomes to find a way out and to heal the new and deep wounds.

Our country is more interested than anyone else in eliminating interethnic conflicts. For as long as Russia feels that it is a frontline state, there will be neither peace nor prosperity in Russia. Practice has shown that apart from Russia, no one is ready to take upon themselves the heavy burden of peacemaking in this area of the world. Hence, our country's role is all the more important and responsible.

Time is inexorably moving on. It is already 50 years ago that one of the most monstrous crimes of the Stalinist regime was committed—repressions against whole peoples. Deportations added shameful pages to our country's history.

On behalf of the Russian Federation, the successor of the former Soviet Union, as head of state, I apologize to all the citizens of Russia and their families who suffered from the deportations. It is our civic duty to eradicate the consequences of those terrible events. This difficult and delicate work should unite and not divide, us. It should bring people together and not breed further strife.

It is our duty to make 1994 a year of undivided attention to the problems of the people of Russian origin who are living in neighboring states. We have at our disposal a great number of facts that are clear proof that our compatriots are being subjected to discrimination. It is Russia's obligation to strive—not in words, but in

deeds—to ensure that such practices are stopped. If one is talking about an infringement of the lawful rights of the Russian people, it is not the exclusively internal affair of one country or another, but it is our own, state, national affair. I ask—I even demand—of all branches of Russian state power that they follow this principle rigorously.

I would also like to speak about our compatriots who are returning to Russia from the new neighboring states to their permanent homes. For the present they are not the children but the stepchildren of Russia. There is no let-up in the flood of settlers and refugees, but this means that one must no longer accept the fact that no one takes their problems seriously or carries true state responsibility. This is an immense problem. A special program has already been worked out, and it will be submitted by the government for endorsement by the Federal Assembly. But in order for it to be implemented, what is necessary is a pooling of our efforts and a concentration of means.

Esteemed members of the Federation Council and deputies of the State Duma: We have learned from our own experience that we will not overcome the economic crisis or ensure the genuine market order or make the economic situation predictable or create prerequisites for the economic growth without a strong, able state.

I know that after the December elections and changes in the government, people both in Russia and abroad became worried about the country's future economic course. I want to dispel these worries. As long as I remain the president I will defend and maintain the policy of economic transformations. In 1994 a continuation of the economic reform will be one of the most important directions of Russia's domestic policy.

Some important elements of market relations have already emerged, such as economic freedom, the right to own property, and working markets of goods and services. However, it is too early to say that the Russian economy lives by laws of the market. Now we have a combination of new market trends, which are still weak, and of old command levers. The system of administration and distribution has not disappeared without trace: It has reshaped itself. Bureaucrats who used to deliver plans and allocate funding have now entered the market and are now distributing and often even trading in centralized credits, export quotas, and licenses.

There is a continuing and strengthening trend toward lobbying. Reform of the economic mechanism is proceeding very unevenly.

The result is well-known; the crisis is abating slowly. Output is continuing to fall, viable enterprises are closing down, the country is tormented by inflation, and tension in society is consistently high. The greatest mistake that could be made today is to offer the public false alternatives: the previous state-run command economy, or the so-called pure market that is absolutely independent of the state. Both options are ruinous for Russia and for the Russian economy.

The task is to find a sensible correlation between the speed of reform and the realistic social price to be paid for it, to enlist the powerful but as yet poorly used reserves within the reforms, and to seek the optimum form of state involvement in economic processes.

The past two years have shown that not only reform incurs a social price. Still greater damage is being done by an economic mechanism that is long overdue for change. It is time to establish an effective state regulation that is compatible with market mechanisms. This is one of the most important threads of the current phase of the reforms.

The state should treat the state sector of the economy as an owner, otherwise the confusion will not be overcome and the squandering of the state sector by certain economic managers will not be halted. The policy toward liberalization of exports needs to be continued while, at the same time, state control over the export of strategic raw materials and energy resources from the country needs to be toughened.

It is vital that the government strengthen currency controls and sanctions against offenders who are illegally concealing currency resources abroad. Legislation needs to be changed. Standards designed for an economy of centralized planning and financial autonomy [khozraschet] are of no use now. Russia needs an up-to-date and effective civil code. Its general section has already been prepared, but I would ask the government—which is conducting this work—to take account of the provisions of presidential decrees, primarily those concerning the economy. I intend to send the draft civil code, as a whole, for examination by the Federal Assembly this year.

The year 1994 should be the year of the start of real structural reorganization of the Russian economy. Russia should only produce what is required by the individual, state, or world market. The country should stop producing products nobody needs. Of course, this is a very complex and costly task. It cannot be solved in a short period of time, and especially, by bans. This does not mean, however, that one should keep avoiding it. Can it be that the government is still not convinced that the absence of structural policy will bring about structural degradation? It is already happening. We are gradually losing modern technological infrastructure and most valuable productions—first and foremost, hi-tech productions. We are lagging behind not only world achievements, but we are already lagging behind ourselves. The principle that says that those will survive who can survive is ruinous. It is not those who produce the best-quality output with the consumer in mind who currently survive in Russia, but those who enjoy the most perks and privileges, those who enjoy the authorities' protection, and those capable of beating money out

of the government. If this tendency continues, the Russian economy can and will become a market-based economy, but it will be primitive and inefficient at the same time. It is high time the government decide on structural priorities and act proceeding from this.

Is there anything that prevents us from clearly defining the membership of a group of producers which are of strategic and great social importance to Russia, producers which are highly competitive in the world markets? Specialists estimate that this kind of group would not account for more than 10 percent of what is produced in Russia. It is precisely such producers that must be given normal state support over the next few years, while others should find this support substantially cut within specific limits.

It is time to define what output is needed by the state and in what volume. I have here in mind defense orders, too. Directors of major enterprises have repeatedly put the same request to me: to influence the government, so that the government may let it be clearly understood to them whether or not to produce this or that kind of output. It is just a yes or a no. A yes means that financial obligations taken upon oneself are fulfilled; a no means that no impediments are placed in the way of the process of conversion.

A demonopolization of production in Russia is a most important reserve of reforms. You cannot have normal economy while one enterprise dictates to others its own conditions, just because it happens to be the only one of its kind, producing its particular line of goods. Monopolism in Russia took decades to take shape. It was, in fact, a state policy, costing gigantic sums and resources. Demonopolization will, likewise, require tremendous effort and time. It must be started in real terms.

Investment policy can also be implemented during reform. There is talk of an investment crisis and a lack of state money to support industry, yet vast sums are being pumped into selected sectors and enterprises. Meanwhile, as before, there is no real investment activity. Order can be imposed only on the basis of a clear investment policy, the role of which is greatly magnified in conditions of crisis, inflation, and the state's highly restricted financial possibilities.

It is high time for the government to establish a single procedure for the granting of state support and to strictly monitor how such support is used.

We hear endless talk about inflation being incompatible with the process of investment. With so much talk, there is almost no time to form the necessary institutions and structures to develop legislation in this sphere. Little practical work is being done to create real conditions for attracting foreign investments. This is the criticism I hear at every meeting with foreign businessmen, be it in America, in England, in Japan, in China, or elsewhere.

At the same time it is obvious that as long as our own entrepreneurs do not start to invest in Russia's economy, foreign partners will refrain from making major investments.

The Russian state has to be consistent in defending the interests of Russian companies in the domestic and world markets.

There are other reserves. After the completion of the voucher stage, privatization has to be taken resolutely into a new mode. It should attract investors, both Russian and foreign. This year the privatization should give the economy much more than before.

The year 1994 should become the year in which the state gives real support to the producers. In a system like this, any honest enterprise or entrepreneur can only die a painful death. It is impossible to live honestly. Nor is it possible to collect all that is due to the state. Last year, the budget revenue was to have been between 24 and 25 trillion rubles, but in actual fact it amounted to 17 trillion. That's what high taxes have achieved. The system of taxation should become simpler, easier to understand and, most importantly, stable—at least in the next couple of years.

In 1994, it is time to embark on drastic changes in state support for the agricultural sector. Rather than meeting all the demands from the sector, the main principle should be a real reform of its economic mechanism, above all ensuring the right of private ownership of land.

The country has been living for a long time in the conditions of constantly high inflation. Until the inflation is curbed, the crisis cannot be overcome.

Any actions by the federal authorities in the area of economic policy must undergo an inflation safety test. The maximum allowed level of inflation must not be exceeded. This demand will be ensured also by the constitutional powers of the president. The economic reform is never painless. Its social cost is significant. We should focus on poverty, on striking inequality, and employment. They cause the greatest concern. The president, the Federal Assembly, and the government should constantly keep in mind hardships experienced by workers of enterprises coming to a standstill—who may become unemployed tomorrow—the poverty experienced by many scientists and staffs of higher educational establishments—which makes unbearable the lives of many young families—and also difficulties experienced by a significant proportion of farmers.

Millions of people in our country are living below the poverty line. It is unacceptable to adopt for implementation state programs that cause a further decline of essential standards of living. However, we have such programs.

Esteemed members of the Federation Council and deputies of the State Duma, everything I am describing is part and parcel of tense, day-to-day work that should

now be seriously addressed. There is vast room for action here for ministers, deputies, and staff of the apparatus—for everyone, in a word. If we really come to grips with it, then all political discord, offenses, and empty disagreements will be forgotten. Everyone will benefit from this, and primarily Russia. The main thing is not to stop and not to waste time.

In strengthening the Russian state, we should all pay particular attention to culture, science, and education. These are vital conditions for our country's progress. One has to admit with bitterness that this area has become a disaster zone today. Without strong state support, spiritual freedom turns into the destruction of talent and into intellectual poverty. It is time to admit that culture will not survive without the state actively participating in its future. It is the state that should preserve the common cultural heritage in all its wealth and diversity, and it is the state that should provide a specific program for the development of the multinational Russian culture.

Yes, there is an acute shortage of funds today; however, the state should pursue the kind of policy that would make the spiritual sphere one that powerfully attracts financial and material resources. In 1994, this sphere should become a zone with most-favored status. Federal, regional, and local authorities, and any entrepreneur should receive real incentives to providing active backing for this. I support setting in motion a system for capital to flow into culture, education, science, and health care and, let me add, ecology. Not only we will benefit from this. Above all, it will be our descendants and the Russia of the future that will benefit.

To continue reform of Russian foreign policy is one of the guidelines for strengthening Russia. Over the latest period, it is not only Russia that has changed beyond recognition. The whole world has become more complex and unpredictable. Consistent promotion of Russia's national interests is the main task of our foreign policy. Openness and cooperation are prime means for achieving it. But if required to protect the state's legitimate interests, Russia has a right to act firmly and tough when it is really necessary. Until recently our foreign policy lacked initiative and creative approach. Russia's prominent peacemaking initiative in the Bosnian conflict has been an exception, regrettably, so far. Meanwhile, the present-day world needs a novel look at the global problems and goals of the 21st century, and Russia is capable of generating new major original ideas.

We like to repeat that it is a great country, and this is a fact, indeed. So let us always maintain this lofty standard in our foreign political thinking as well. We have clear priorities in international policy—the most important being the prevention of a new global war, either cold or hot. It is for this purpose precisely that we are coming out unequivocally in favor of strengthening the regime of non-proliferation of weapons of mass destruction and the latest military technologies. We share this principle as one that is mandatory for all—not only for Russia, as some people would like to believe.

In 1994, we have to put an end to the vicious practice of unilateral concessions. This also relates, inter alia, to the defense budget. One should not forget the fact that defense expenditures are something totally different from expenditure on war.

These resources are being used to finance a major part of our science sector, these resources are being used to build housing for homeless officers' families, these resources are being used to provide for our children serving in the armed forces.

There must be order in international arms trade. The most important condition for this is observance of Russia's commercial interests. They have suffered considerably in recent years.

We are for being realistic when dealing with the problems of European security and we are for the Partnership for Peace, open to all states of great Europe without any exceptions.

However, while respecting the sovereign rights of states and organizations, Russia is against the expansion of NATO through some or other countries of the European continent without Russia itself. This is a path toward new threats to Europe and the world. Russia is not a guest in Europe, but an equal participant in the community of Europe, interested in its prosperity—and it is this premise that we will proceed from.

We are for developing partnership with both West and East. But for us, partnership is not an exchange of niceties during negotiations but real cooperation and interaction, in all spheres from high politics to friendly social contact between people of different countries, in all spheres at state and national level, at the level of enterprises, companies, organizations, and individual citizens. The obstacles to such wide-ranging partnership should be removed as soon as possible.

Russia did not take part in the race to be the first to leave the USSR and to become the most independent state. Now many are gradually being cured of the euphoria of being able to swim in the raging sea at will. We are returning to one another within the framework of the Commonwealth of Independent States. Russia is for the strengthening of the Commonwealth, above all through the establishment of an economic union, a common CIS market, and the establishment of a system of collective security and the strengthening of guarantees of human rights.

However, there exist factors which it is always essential to take into consideration. Integration should not damage Russia itself, nor should it be effected at the cost of our forces and resources, material and financial alike, being stretched to breaking point. This would only entail new disappointments and it would not bring our states closer, but pull them apart from each other.

Russia's foreign policy will be strong and effective if interaction between various state bodies in its implementation is secured as something tangible. I address this request, in equal measure, to the relevant departments of the executive authority and to the Federal Assembly—we have one country and it will only gain from this kind of interaction.

Esteemed members of the Federation Council and deputies of the State Duma, I regard it as essential to spell out the most essential things, on which concern, including my concern, will be focused this year.

First: Law and order must gain a firm foothold. We are not just talking of adopting high quality laws; we must also aim at their implementation. Without that, it will not be possible to put an end to official abuses, nor will it be possible to ensure guarantees for people's legitimate rights.

Two: the fight against crime. We won't make life more peaceful for the people of Russia if we confine ourselves to emergency half-measures. We need a complex of legislative, economic, organizational, and social measures. To fight crime, one has to change conditions in society and in the state as a whole.

Three: the economy. I intend to resolutely continue and develop the reform started in 1992, using its reserves to the maximum, fully keeping in mind the price that has to be paid on this path.

Four: concern for the country's spiritual future. The current state of culture, science, and education is, as I have already mentioned, extremely alarming. This year an upturn should be ensured in these spheres.

Five: Support for the regions and territories and the protection of their interests. Much has already been said on this matter. I can add that last year the drafting of the principle of a new regional strategy in Russia began. This year the strategy will be actively implemented. It is on this basis we shall be able really to ensure the unity and integrity of Russia.

Six: the future of Russians in the near abroad. This problem requires constant and painstaking work, combining firmness with delicacy, being consistent and reacting precisely to the changing situation. I believe it is my duty to defend the prosperity and dignity of our fellow countrymen wherever they may live.

Seven: stepping up Russian foreign policy. Here the qualitative parameters of equal partnership are coming to the forefront. The key area is strengthening the Commonwealth of Independent States.

We have established normal relations with the majority of world states and have joined the main international organizations. Now the main thing is, proceeding from national interests, to make the potential of these ties fully effective in Europe, in America, in the Asia-Pacific region and in other areas.

Russia has the opportunity for beginning a qualitatively new stage of its development. The period of total destructive processes of the previous system is ending. We are laying the economic, legal, and social foundations of a new Russian society. Having received your proposals in response to my message, I am addressing you with a specific plan of my actions to put it into practice.

I know that there are those among you who doubt whether we will be able to cope with these tasks, given the spiritual and ideological discord that reigns in society and in our hearts today. But we must provide an answer to this question together—not in tedious and fruitless debates but in real collaboration. Only in common work will we be able to overcome mutual suspicion and bring back trust in one another. Only by common work will we be able, once and for all, to push back from Russia the threat of confrontation and to achieve stable civic accord. Only in common work will we be able to tear through the black shroud of uncertainty and restore spiritual balance and find ourselves in the new conditions.

Russian citizens expect cooperation from us. I am confident they will support us because they want security on the streets and in their homes; they will support us because they want Russia to be peaceful and prosperous. I hope that in a year we will all be able to look those who elected us in the eye and say: Things were difficult for us, but we did in the space of this year all we could, and it is not in vain that we lived during these past 12 months.

For my own part I will do all I can toward this end. Thank you for your attention.

Mixed Views on Speech Reported

LD2402153894 Moscow ITAR-TASS in English 1518 GMT 24 Feb 94

[Text] Moscow 24 February TASS—"President Yeltsin's message to the deputies fully suits Russia's needs. It reflected topical matters of Russia's development, consolidation of the state and all its institutions, stregthening of law and order in Russia", Yegor Gaydar, leader of Russia's Choice parliamentary faction, said on Thursday. He spoke at the colloquium "The future of reform in Russia" held in St. Augustin, Germany. The colloquium was organised by the Konrad Adenauer foundation close to the Christian Democratic Union.

The Russian president could have spoken more definitely on economic matters, believes Georgiy Zadonskiy, influential deputy of the State Duma. "I followed closely Boris Yeltsin's message to the Federal Assembly. I believe it has not set out a firm economic course", he told ITAR-TASS. "This can be used both for continuing the deepening of reform and for trying to consolidate the power of bureaucrats which the president mentioned".

Zadonskiy said he has no sense that the president and the government have adopted a common stand for adjusting

reforms. He believes Yeltsin remains on positions of reform, but vagueness on matters of state regulation of the economy is quite dangerous.

"The president's message to parliament leaves an ambiguous impression", said chairman of the communists faction in the State Duma, Gennadiy Zyuganov. Nevertheless he welcomes Yeltsin's ideas for the consolidation of statehood and separation of powers between subjects of the federation. Zyuganov told ITAR-TASS that the meeting between the head of state and parliament on Thursday "looked like a dialogue". He said the report did not have signs of the search of an enemy. Quite the contrary, it was an attempt to rally forces for the sake of normalisation and reconciliation.

Zyuganov still believes the Russian Federation will be unable to cope with any of its problems unless there is a renewed union. From this viewpoint he approves of the fact that the president attaches priority to the strengthening of ties within the Commonwealth of Independent States. Zyuganov again deplored the fact that Russian leaders had not set themselves this task earlier, in the framework of the union.

Shumeyko, Shakhray Praise Address

LD2402145894 Moscow ITAR-TASS in English 1411 GMT 24 Feb 94

[Text] Moscow February 24 TASS—"For the first time, Russia has a specific programme of development", Vladimir Shumeyko, speaker of the Federation Council, said, commenting on the Russian president's message to the Federal Assembly. In an interview to ITAR-TASS he said that the discussion of Boris Yeltsin's message is put by deputies of the upper chamber of parliament on the agenda of its third meeting that opened on Thursday.

The main directions of the consolidation of the Russian state indicated by the president will undoubtedly have an effect on a plan of legislative work that the chamber will endorse at its current meeting, the speaker believes.

In an interview to ITAR-TASS, deputy of the State Duma, Economics Minister Aleksandr Shokhin said that the presidential message should be used as the guide for adjusting normal mechanisms of market relations. Shokhin believes that the state authorities are capable of doing so.

The problem of Russians who constitute the absolute majority of the population, 83 per cent, has been raised for the first time in the presidential message. Commenting on this section of the message, Russian Minister for Nationalities and Regional Policy Sergey Shakhray told ITAR-TASS that "all politicians should be constantly aware that there is direct relationship between a sense of well-being of the Russian people and that of all other peoples in the federation".

Shakhray said that the forming of the Russian nation should not be in the imperial spirit, at the expense of the interests of other peoples. The Russian state is a form of self-determination of all its ethnic groups with guarantees of the development of each of them.

Regarding Russians' positions in former union republics, Shakhray said that Russia has juridical obligations to them, also under international law. As the successor of the USSR, Russia must protect citizens under its jurisdiction who live outside Russian boundaries.

Tatarstan's President Mintimer Shaymiyev believes that virtually every deputy went along with the Russian president's message to the Federal Assembly. It is now essential to embark on its implementation and to continue the economic reforms, he told ITAR-TASS on Thursday.

Tatarstan's president supported the Russian president's attitude that decentralisation of russian economy is needed. He believes that important economic matters should be tackled locally.

Speech Stresses 'National Idea'

LD2402124994 Moscow ITAR-TASS in English 1222 GMT 24 Feb 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow February 24 TASS—"The main thing in the Russian president's message to the Russian parliament is an attempt at formulating a national idea", Sergey Shakhray, minister for nationalities and regional policy, said in an interview with ITAR-TASS on Thursday.

According to the minister, the message does not just outlines the political and economic situation in the country, it "formulates the task of strengthening a national idea".

The formulation of a national idea, he said, is very important now for all peoples in the Russian Federation.

Yakovlev Views Guidelines

LD2402121194 Moscow ITAR-TASS in English 1149 GMT 24 Feb 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[Text] Moscow February 24 TASS—President Yeltsin's address to the Federal Assembly "contains a rather powerful potential for putting into effect now the main guidelines of the domestic and foreign policy, which is the constitutional duty of the president," Aleksandr Yakovlev, official representative of President Yeltsin in parliament, told ITAR-TASS.

In his opinion, those guidelines should now be translated into legislative acts and in the steps to be taken by executive authorities. Then they will really become "actions with tangible results."

Yakovlev stressed that the putting into effect of the main guidelines is the task for all branches of authority. Legislation and its subsequent implementation should be the next stage.

The presidential address pointed to the absence of uniformity in the economic legislation and stressed that "a breakthrough in providing legal support for the market-oriented reform is urgently needed."

Kazannik Welcomes Remarks on Crime

LD2402140994 Moscow ITAR-TASS in English 1352 GMT 24 Feb 94

[Text] Moscow February 24—Russian Prosecutor-General Aleksey Kazannik expressed his approval of President Yeltsin's emphasis on the strengthening of the Russian state, law and order, and the fight against crime, as expressed in the president's first annual address to the Federal Assembly.

In an interview with ITAR-TASS, Kazannik noted that, "Boris Yeltsin perfectly correctly laid out a plan of legislative work. Without that it will be impossible to ensure law and order".

The procurator-general said he was sure that, after the adoption of the anti-crime programme which the Russian president is now intensively working on, law and order bodies will find it much easier to increase the strength of laws in the Russian society.

The president's address emphasized that, "A law-based state should be a strong one in order to guarantee peoples' safety, strike out against crime, and begin an offensive against corruption. A strong state is the basis for the continuation of reforms, the overcoming of the country's crisis, the establishment of basic economic restructuring, and the creation of conditions for economic stabilisation and growth".

It was also noted in the address that, "In a law-based state, power is limited by the law, which is a necessary condition for such a state. For that exact reason the development of law can be considered a concrete policy towards the strengthening of the Russian state".

Opposition Leaders May Be Freed Following Ruling

LD2302205394 Moscow ITAR-TASS in English 2010 GMT 23 Feb 94

[By ITAR-TASS correspondent Aleksandr Chernov]

[Text] Moscow February 23 TASS—The organisers of the armed opposition revolt last October in Moscow may be soon freed from the Lefortovo investigation prison, however they will spend this night in jail.

TASS learned from the Office of the Russian Prosecutor General on Wednesday that the decision of the State Duma to pardon the revolt organisers is an order for authorities as, according to the new Russian Constitution, the Duma is the supreme legislative body in issues of amnesty.

However, the Prosecutor's Office has not yet received the necessary documents from the Duma and cannot thus free the Lefortovo prisoners.

All activities will most evidently begin tommorrow, according to the Prosecutor's Office.

The pardoned organisers include former Vice-President Aleksandr Rutskoy, Former parliament speaker Ruslan Khasbulatov, diehard opposition members Ilya Konstantinov and Viktor Anpilov, as well as other resolute opponents of the Russian president.

The Prosecutor's Office said they know about the Duma decision thanks to radio broadcasts and some of them had meetings with lawyers and relatives on Wednesday.

Kazannik To Free Coup Organizers

LD2402091494 Moscow ITAR-TASS in English 0910 GMT 24 Feb 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow February 24 TASS—Russian Prosecutor General Alexey Kazannik is ready to free anti-Yeltsin rebels pardoned by the State Duma on Wednesday as soon as he receives the necessary documents from the legislature and talks to each of the organisers of the October armed opposition revolt and hard-line May Day demonstration last year.

"In case the accused agree with the (Duma) resolution I shall rule to drop criminal proceedings against each of the accused", Kazannik told TASS on Thursday.

If the accused refuse to be pardoned the criminal cases against them will proceed in a usual way, he added.

Kazannik said he had not yet received the Duma decision, but stressed that his office does not give political assessments to various laws. "It ensures lawfulness and a strict fulfillment of all instructions of competent state bodies", he said.

Immediate Release Not Guaranteed

LD2302192494 Moscow INTERFAX in English 1721 GMT 23 Feb 94

[Text] The amnesty resolution does not amount to an immediate release of those involved in last October's events, sources close to former Vice President Aleksandr Rutskoy told Interfax.

They say the process may take several months to implement despite the resolution's demand for an immediate release of Lefortovo prison inmates.

One source said the main problem was how to enforce the resolution in a legal way. Nor is clear how the

Duma's constitutional prerogative of declaring amnesties will be interpreted, he said. The source says that the amnesty covers those convicted but not those under investigation or trial which gives a wide room for legal interpretation of the Duma resolution. Even if experts arrive at a conclusion that the prisoners must be set free immediately, there is always a chance of delaying the resolution indefinitely for various reasons such as failure to return a book borrowed from the prison library, he said.

Yeltsin May Annul Decision

LD2402125894 Moscow ITAR-TASS in English 1222 GMT 24 Feb 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow February 24 TASS—The Russian State Duma confused "pardoning" with "amnesty" and thus the Russian president may annul its decision to free opposition rebels because pardoning is his exclusive right, while the lower chamber can only declare an amnesty, according to an aide of the Russian leader.

"The State Duma replaced the notion of 'pardoning' by 'amnesty' thus exceeding its authority. According to the Russian Constitution pardoning is the right of the president", national security aide Yuriy Baturin told TASS on Thursday.

He explained that there is a big difference between "pardoning" and "amnesty". An amnesty frees people convicted for certain crimes, while only concrete people can be pardoned.

Baturin also said that the Duma decision is contradicting the principles of law because "there are dead bodies while there are nobody guilty". He was referring to over 140 killed during the October revolt and the policeman killed during the May Day demonstration last year.

He stressed that the principle of power sharing between authorities had also been violated as, according to the Constitution, it is only the court which can decide whether defendants are guilty or not. "Thus it would be better to wait with pardoning until a court verdict", Baturin said.

The national security aide believes the Constitutional Court could have helped in the dispute. "But as the law on its activities has not been adopted yet, the president, as the guarantor of the Constitution has the right to demand that the office of the prosecutor general and heads of departments do not fulfill the resolution of the State Duma which does not abide by the principles of the Constitution and Russian laws", Baturin said.

He added that the Russian prosecutor general may file a protest against the Duma decision which, according to the law, is to be considered by the lower chamber.

In Baturin's personal opinion the Duma decision was "a political-emotional act, rather that a juridical step".

Kostikov Terms Amnesty 'Immoral'

LD2402092494 Moscow ITAR-TASS in English 0902 GMT 24 Feb 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow February 24 TASS—Russian President Boris Yeltsin will react calmly to the Duma decision to pardon his opponents, according to presidential spokesman Vyacheslav Kostikov.

"The president will react calmly, without emotions. He will give a moral assessment of the event", Vyacheslav Kostikov told reporters on Thursday.

However, the spokesman himself believes the implementation of the Duma decision would result in "a serious destabilisation", will be detrimental to Russian national interests and will affect the foreign policy.

Kostikov hinted that the amnesty to rebels may not be implemented because of a "possible war of juridical interpretations".

"If the Constitution says that the State Duma declares amnesty it does not mean that it adopts a decision on it", Kostikov said adding that "the amnesty in its political part is immoral" because it frees those who are responsible for the death of people.

Kostikov: Decision 'Hastily' Adopted

LD2302181794 Moscow ITAR-TASS World Service in Russian 1729 GMT 23 Feb 94

[Text] Moscow, 23 February—The decision of the State Duma on granting amnesty to the members of the SCSE [State Committee for the State of Emergency] and those involved in the October 1993 events is a challenge to Russian democracy. The feelings of the millions of Russians who defended democracy in August 1991 and in October 1993 have been trampled on. In initiating the adoption of this decision the Communists and supporters of Zhirinovskiy displayed a total unity of aims of getting into power by a destabilization of the situation. This is said in a statement issued by Vyacheslav Kostikov, the Russian president's press secretary.

There is no doubt that this decision will harm cooperation between the branches of power and the very idea of law and order because it elevates a resolution of the issue of the guilt of those involved in both coups from the legal to the political sphere. This decision is of a purely political nature—it was adopted hastily, without taking the account of public opinion and without a preliminary research into the legal foundations for adopting and implementing such serious decisions.

At the time when the Russian president is taking decisive steps to reaffirm Russia's prestige and dignity in the world, the State Duma is making decisions which will lead to destabilization, and consequently, to the weakening of Russia. This path is dangerous and it goes against national interests. All the responsibility for the

consequences of the adopted decision lies with the State Duma, and with those who initiated and carried out this action, the statement of the Russian president's press secretary says.

Duma Surprised by Kostikov Remarks

LD2402142594 Moscow ITAR-TASS World Service in Russian 1350 GMT 24 Feb 94

[By ITAR-TASS correspondent]

[Text] Moscow, 24 Feb—The press centre of the Russian State Duma has expressed "surprise and regret" with regard to the statement from the Russian president's press secretary, who condemned the lower chamber's decision to grant an amnesty to the participants in the attempted coup.

The statement released by the press center to the media says that Vyacheslav Kostikov's statement "casts a shadow over the emerging constructive cooperation between the State Duma and the president, the government, and the Constitutional Court aimed at consolidating all power structures and political forces, and also impedes national accord and the revival of Russia."

Decision 'Poorly Thought Out'

LD2302152194 Moscow ITAR-TASS in English 1431 GMT 23 Feb 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow February 23 TASS—An aide of the Russian president characterised the Duma decision to pardon anti-Yeltsin rebels as "dashing and poorly thought out" and added that the new Russian Constitution will not allow them to resume activities.

Member of the Presidential Council Leonid Smirnyagin told TASS on Wednesday that the people who the Duma pardoned can never change.

"Such people as (hard-liner) Ilya Konstantinov are untamable, do not cede to the reasons of history and will again try to unite the irreconcilable under their banner", he said.

However, Smirnyagin added that since the new Russian Constitution has been adopted "it leaves no room for (Ruslan) Khasbulatov and (Aleksandr) Rutskoy in the new Russian statehood".

The Constitution envisages no post of the vice-president.

Smirnyagin added that the Duma decision "doubts the political morality of deputies".

Shumeyko on Court's Decision

LD2302153894 Moscow ITAR-TASS in English 1451 GMT 23 Feb 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[Text] Moscow February 23 TASS—"It is only the court which can find the Lefortovo prisoners guilty or non-guilty", Federation Council Speaker Vladimir Shumeyko told reporters on Wednesday referring to October revolt organisers who were pardoned by the lower chamber of the parliament on Wednesday.

He stressed that the organisers are not political, but common criminals. "There are no political crimes or political prisoners in Russia", Shumeyko said.

The revolt organisers face criminal charges and it is only the court which can make the final verdict, according to Shumeyko who said that his upper chamber does not plan to discuss the amnesty.

Yakovlev: Amnesty Judicially Correct

LD2402115594 Moscow Russian Television Network in Russian 1100 GMT 24 Feb 94

[From the "Vesti" newscast]

[Text] The decision on the political amnesty of the SCSE [State Committee for the State of Emergency] members and the participants in the October events is completely in keeping with the Constitution from a judicial point of view. This was stated by Aleksandr Yakovlev, the official representative of the Russian president at the Federal Assembly today. However, he noted, the political and social aspects in this case are more important than the judicial one. He thinks that an act on amnesty may create a false illusion of hopes for civic peace.

Amnesty Prelude to Reconciliation

LD2402151694 Moscow INTERFAX in English 1145 GMT 24 Feb 94

[Text] According to the leader of Russian Communists, Gennadiy Zyuganov, political amnesty should become the prelude to nation-wide reconciliation. He declared this in his interview with Interfax in the Kremlin on Thursday.

He believes that a civil war "has been going on in Russia for a long time already," thousands of killed, millions of refugees, more than 15 Mn people with incomes far below the subsistence minimum are victims of this war.

In connection with this, Zyuganov pointed to the following historical parallel—after the civil war of 1917-1920, national reconciliation in Russia took place only in 1941 when "the people willy-nilly had to struggle for their survival." Zyuganov believes that "today the situation is reminiscent of this historical parallel."

Zyuganov pointed out that the president and government should express their point of view regarding the amnesty. "This is not an issue about which only press secretaries can speak," he noted.

Zyuganov believes that liberation of the participants of the August 1991 and October 1993 events "will not bring any sharp destabilization into the nation's political life."

"As a matter of fact, such people as Lukyanov, Kryuchkov, that is, people who enjoy a great political reputation, and are quite experienced, have been freed and they are productively working in Russia's favor," he said.

"We rule out the notion of "revenge" as a political term," noted Zyuganov. A State Duma deputy Aleksandr Nevzorov, a prominent TV journalist, who was nearby, declared: "We have granted amnesty not only to those who participated in the 1991 and 1993 events on both sides but by means of this act we have granted amnesty to Yeltsin himself."

Deputy Says Rybkin Promoted Vote

LD2302134994 Moscow ITAR-TASS in English 1247 GMT 23 Feb 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow February 23 TASS—The Russian State Duma voted on Wednesday to declare amnesty to organisers of two hard-line coups and a demonstration all which resulted in bloodshed in Moscow.

Lawmakers voted 253-67 for the resolution on amnesty which comes into effect at the moment of publication and is to be implemented in six months.

The amnesty covers, besides businessmen convicted in Soviet years, also organisers of the 1991 abortive Soviet coup, the leaders of hard-line opposition revolt last October in Moscow, as well as organisers of the hard-line demonstration last May which clashed with police. The leaders in question include former Soviet top officials now facing trial, arrested former parliament chairman Ruslan Khasbulatov and former Vice-President Aleksandr Rutskoy, as well as diehard opposition members Viktor Anpilov, Ilya Konstantinov and others.

"This is the beginning of a civil war in Russia", Sergey Yushchenkov, chairman of the Duma Committee on Defence commented.

He accused Duma speaker Ivan Rybkin of promoting such a vote by ignoring many lawmakers who wanted to speak against it.

Rybkin told the Duma before the vote that the amnesty was necessary to "es[illegible] from suspicion, gloating expectations of certain changes and possible settling of accounts".

"We are destined to accord to get out of the crisis", he said.

"The Duma is firmly convinced that Russia needs civic peace, accord and construction to get out of the crisis. Russians await from us such an accord and interaction between the president, the Federation Council, the State Duma and the Constitutional Court", he added.

Amnesty Vote 'Challenge' to President

LD2302142194 Moscow ITAR-TASS in English 1414 GMT 23 Feb 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow February 23 TASS—The decision of the Russian State Duma to declare amnesty to anti-Yeltsin rebels on the eve of the presidential address to parliament is "an open symbolic challenge" to the president, according to Emil Pain, an aide of the Russian leader, who added that Yeltsin would not approve the decision.

The amnesty "puts a constructive dialogue (between the president and the parliament) under big doubt", Pain told TASS on Wednesday adding that it would not promote stability in society either.

However, he stressed that the Duma decision should not postpone the presidential address as it is a message "not only to the Federal Assembly, but to the whole society".

On Wednesday the Duma overwhelmingly voted to declare an amnesty to organisers of the 1991 Soviet coup, of the armed opposition revolt in Moscow last year and of the hard-line demonstration in May 1993. All the three events resulted in bloodshed.

Pain, who is a member of the Presidential Council, regretted that the faction headed by Sergey Shakhray also voted to pardon the rebels. "It is regretful that the amnesty for political adventurists was supported by the faction with the name of "Russian Unity and Accord".

Zhirinovskiy, Others React

LD2302172294 Moscow ITAR-TASS in English 1537 GMT 23 Feb 94

[by ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow February 23 TASS—Russian nationalist leader Vladimir Zhirinovskiy was brief in assessing the Duma decision to pardon anti-Yeltsin rebels on Wednesday.

"This is a historic moment. February 23, 1994 means an end to civil war in Russia", he told reporters.

However, a leader of another major Duma faction is of a completely opposite opinion. Sergey Yushchenkov of the Russia's Choice said the amnesty to rebels means "the beginning of a civil war in Russia".

Yegor Gaydar, the leader of the faction, said the decision was a move towards destabilisation and warned that the freed rebels would return to their activities which would result in a new bloodshed. "I am completely convinced that they would work so that new blood is shed", he said.

According to Gaydar, the president cannot veto the Duma decision.

Other Duma factions were somewhere in between the radical points of view of Russia's Choice and Zhirinovskiy's party.

Sergey Stankevich from the Party of Russian Unity and Accord said that Russia has got a chance for reconciliation, but warned that "it is hard to predict how the chance would be used".

Leader of Russian Communists Gennadiy Zyuganov told TASS that he has a "feeling of certain satisfaction" as agreement has been reached among most Duma factions. The Russia's Choice remained alone "and began to immediately intimidate by provocations", he said.

Vladimir Lysenko from the "Yabloko" bloc abstained from the vote. He told TASS that it was very tempting to vote for universal pardoning, however "if a considerable part of extremists is freed this can destabilise the situation".

Other Party Leaders Comment

LD2302192894 Moscow INTERFAX in English 1721 GMT 23 Feb 94

[Text] Leader of the Russia's Choice [RC] group Yegor Gaydar is "absolutely convinced that the amnesty resolution which also covers those involved in the events of August 1991 and September-October 1993 is a step to unsettling the situation in Russia".

Speaking on Wednesday, Gaydar said all those people were most likely "to take newly-formed militant units to the streets in the next few months and I am sure there will be renewed violence".

The RC leader also said that under the new constitution, the president has no powers to veto the Duma resolution.

One other RC leader Gennadiy Burbulis who also voted against the resolution said: "It is very enticing to speak in terms of civic peace or being destined for accord but there is great concern when such noble ideas are being resolved with political impropriety and legal incorrectness".

For his part, Communist Party chief Gennadiy Zyuganov said the amnesty for those imprisoned on charges of involvement in last October's events meant that those people "who defended the Constitution will now be able to do so not in Lefortovo Prison but in normal conditions".

One other Communist deputy and defendant in the case of the 1991 failed coup Anatoliy Lukyanov told Interfax that the amnesty resolution was "a logical step on the way to internal stability". However, he is perfectly sure that there can be "no genuine reconciliation unless the government changes its policy by dropping shock treatment of the economy".

Lukyanov does not believe that the situation will go out of hand just because about 50 prisoners will be released and charges against them dropped.

In his view, leader of the right-wing Russian National Unity Aleksandr Barkashov and leader of the Russian Workers' Communist Party Viktor Anpilov "had enough time for a rethink to prevent what happened from being repeated". "I am sure that fascist ideas will not work here", Lukyanov said.

LDP [Liberal Democratic Party of Russia] leader Vladimir Zhirinovskiy has described the Duma resolution as "a historic moment of reconciliation and shedding the burden of historic mistakes". In a speech to the Duma, he called to close "dark pages and express sympathy and forgive all victims".

At the same time, Zhirinovskiy called on the president "not to sabotage the Duma resolution" and the government to take measures to enforce it.

One other deputy Vasiliy Lipitskiy says that former Vice President Aleksandr Rutskoy will again lead the People's Party of Free Russia when set free.

For his part, leader of the Party of Russian Unity and Accord Sergey Shakhray stressed that he and the PRUC were opposed to spreading the amnesty for those "taking up arms and perpetrating criminal offences during the events of last September and October".

Chernomyrdin Engagements Postponed Due to Cold

LD2302111194 Moscow ITAR-TASS World Service in Russian 1050 GMT 23 Feb 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Excerpt] Moscow, 23 Feb—The extended sitting of the Russian Federation Government planned for 25 February is to be postponed tentatively to 3 March, informed sources in the government apparatus told ITAR-TASS today. They said that "due to a lingering cold, the official visit to Finland by Viktor Chernomyrdin, chairman of the Russian Federation Government, due to take place 26-28 February, and his visit to Karelia have been put off by at least a week." [passage omitted]

Government Sitting Set for 3 Mar

LD2402143994 Moscow Radio Rossii Network in Russian 1400 GMT 24 Feb 94

[Text] Head of the Russian Government Viktor Chenomyrdin has decided to switch the extended sitting of the government from 25 February to 3 March. This decision is motivated by the necessity to analyze in depth the president's address to the Federal Assembly, according to the head of the government's press service.

Yeltsin Meets Acting Head of Constitutional Court

LD2302230894 Moscow ITAR-TASS in English 1936 GMT 23 Feb 94

[By ITAR-TASS correspondent]

[Text] Moscow February 23 (TASS)—Russian President Boris Yeltsin met on Wednesday with the acting chairman of the Russian Constitutional Court, Nikolay Vitruk, to discuss some key problems.

Vitruk told the president that at the Council of Europe's request prompted by Russia's intention to apply for a full membership in this organization, he was going to deliver on February 25 a report on the new Russian Constitution to experts of the European Commission. This commission, to which Vitruk is Russia's permanent representative, had carried out an examination of the draft Russian basic law. When speaking to the president, Vitruk commented, specifically, on the proposed report's provisions illustrating the role played by the Constitutional Court in implementing the principles of constitutionalism, separation of powers, federalism, protection of human rights and liberties.

The president and the Constitutional Court acting chief also dwelt upon a draft law "On the Constitutional Court of the Russian Federation" worked out by constitutional judges and submitted to the State Duma as a legislative initiative. Vitruk informed Yeltsin about preliminary consultations on the draft law with Russia's Supreme Court, the Supreme Arbitration Court, the prosecutor general, judges of various constitutional courts, Russian and foreign scholars and lawyers. He stressed that at the moment, the Constitutional Court was thoroughly examining responses to the bill provided by the presidential staff's state and legal directorate and by the Duma committee for legislation and court reform. The scientific and consultative council under the Constitutional Court is to gather in an enlarged meeting to discuss the draft law "On the Constitutional Court of the Russian Federation".

In his turn, Yeltsin assured Vitruk that the Russian Constitutional Court and other federal courts would be guarded properly. He pledged the presidential decree of October 7, 1993, on the Constitutional Court in the part of setting up a department for security of supreme judicial bodies would be fulfilled in full. The security service will be supervised by the federal counterintelligence service, a Constitutional Court spokesman told TASS.

Zhirinovskiy Case Transfer to Military Unexplained

PM2302110594 Moscow IZVESTIYA in Russian 23 Feb 94 p 2

[Viktor Litovkin report: "Military Lawyers To Handle Zhirinovskiy Case"]

[Text] The criminal proceedings instituted against LDPR [Liberal Democratic Party of Russia] leader Vladimir Zhirinovskiy for spreading war propaganda have been handed over by the Russian General Prosecutor's Office to the Main Military Prosecutor's Office for investigation.

We called Valentin Panichev, chief of the Russian Federation General Prosecutor's Office Main Administration for the Supervision and Implementation of Laws in the Armed Forces, and asked him to comment on this fact. But the chief military prosecutor declined to give a straight answer to the question of why the Zhirinovskiy case has been handed over to military lawyers. He said that it had been a decision by the general prosecutor, who is entitled to task any law-enforcement organ with investigating a particular case.

Meanwhile independent experts believe that the Zhirinovskiy case has been handed over to the Main Military Prosecutor's Office for several reasons. One of these is the fact that the Ministry of Security is currently being reorganized and, although this is their job, nobody can currently be spared to deal with Mr. Zhirinovskiy. Others believe that the investigation has been handed over to the military because the most skilled specialists currently available are working in the Main Military Prosecutor's Office. Nor can we rule out the explanation that the LDPR leader was a KGB officer before he embarked on political activity; thus he basically remains a KGB officer, even though now transferred to the reserves, and his problems have to be dealt with by investigators from the Military Prosecutor's Office.

Whichever version is correct, it is clear that the case against the State Duma deputy and leader of one of the biggest Duma factions was instituted 26 January in connection with the publication of his book "Last Dash to the South," which, in the lawyers' opinion, contains elements of war propaganda. Article 71 of the RSFSR Criminal Code places propaganda of this sort in the category of particularly dangerous state crimes and stipulates punishment in the form of a three- to eight-year jail term.

The editorial office has learned that investigators from the Main Military Prosecutor's Office have concluded their study of the text of Mr. Zhirinovskiy's literary work and have proceeded to the stage of gathering the necessary documentation and interrogating witnesses. The LDPR leader himself has not yet been summoned to the Main Military Prosecutor's Office on Kholzunovskiy Pereulok.

'Tenuous Legal Basis' of Local Elections Queried

PM2302121.94 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Feb 94 p 1

[Vasiliy Ustyuzhanin article under "Our Commentary" rubric: "Local Authorities Trying on Red Pants"]

[Text] Russians will have to vote again in March and April—this time for deputies to the local self-government bodies.

None of the past election campaigns has had such a tenuous legal basis as the present one. There is no federation-wide law on the elections—the State Duma is only just setting about producing one. On the other hand the president's Edict No. 1765 gave administration heads themselves the right to ratify local election statutes. You do not have to be a clairvoyant to predict that they will give free rein to their whims.

This is just what they are doing.

The administration in Voronezh has reserved the right to hold meetings of voters—or not, as they please—to nominate candidates for deputies, and to admit observers or not. The Tula administration head may himself appoint a section of the deputies to the representative body. The mayor of St. Petersburg has refused students and servicemen the right to vote while at the same time forbidding Federation Council members to stand as deputies. The Leningrad Oblast administration head will himself appoint municipal leaders (who should, of course, be elected by the people).

So the executive branch offensive against representative branch prerogatives is continuing. But there is nothing to be surprised about here—this is what step-by-step constitutional reform amounts to. It is more to the point to ask the question: What will become of the country if this impromptu approach extends to the whole of great Russia?

As far as the range of views represented on the eve of the elections is concerned, it does differ, though not sharply, from that of December. All seven communist parties are vigorously nominating their own candidates this time (only Zyuganov's Communist Party participated in the federal elections), as are the parties with a popular-patriotic orientation. The regional organizations of the Liberal Democratic Party of Russia [LDPR] are hedging their bets. Zhirinovskiy has stated that these elections have not the slightest significance for him—all his thoughts are on the presidential election. But in the provinces the LDPR branches are not inactive and are counting on winning a majority of the votes cast—which, to tell the truth, is hardly likely if you take into consideration the stiff competition put up by the left-wing and patriotic movements. The democratic forces, on the other hand, finally seem reconciled to the prospect of losing. Presidential Territorial Administration Chief Nikolay Medvedev even stated that a Red anti-presidential cordon could form around Moscow, taking in Lipetsk, Kursk, Orel, Voronezh, Ryazan, Mordovia, and Penza. Almost as in 1918: Then, if you remember, the government, ringed by the Whites, was forced to transfer from St. Petersburg to the Kremlin in Moscow.

You can only say one thing definitely: Whatever the results of the elections they will hardly provide a solid basis on which to extricate ourselves from the crisis. The converse is more likely: Yet one more leg of the presidential chair will fold under him. But a poor result is nevertheless a result. The time is coming when to dramatize the outcome of the voting, to ring all the bells and cry "Russia, you've gone crazy" would be tantamount to summoning the spirits of revolution. Enough of that! It would be nice to enter the 21st century in a well-cut rule of law suit. Let presidential power be the pants and parliamentary power the jacket. Or the other way around, so long as there are no pistol muzzles jutting from the pockets. The pockets should contain only handkerchiefs, and these should be sweetly scented.

Edict on Government Information Service Viewed

MK2302090094 Moscow KOMMERSANT-DAILY in Russian 23 Feb 94 p 2

[Veronika Kutsyllo report: "President's Edict on Information Technology. FAGCSI-zation of All Powers Over"]

[Text] The war waged for many months by the Federal Agency of Government Communications Services and Information under the Russian Federation president (FAGCSI) to be the sole master of the information systems catering to the top bodies of power has been crowned with success. Under Boris Yeltsin's edict signed Monday evening, the only structure opposing the FAGCSI—the Administration for Information Resources of the presidential staff (AIR)—has been abolished and its functions handed over to FAGCSI.

The war between FAGCSI and AIR—the last "electronic subunit in the system of the supreme organs of power that worked with unclassified information—had been waged for more than a year. Its methods were fully in line with the agency's background—the former directorate for government communication service of the KGB. Back in summer 1993, a memo prepared by the Security Ministry, the Communications Ministry, and the FAGCSI was put on the president's desk. Viktor Barannikov, Vasiliy Bulgak, and Aleksandr Starovoytov hinted at certain "state-run and commercial organizations" that enlisted the services of foreign firms to create information networks which, in the authors' view, enabled Western special services "to introduce into the Russian market systems of processing, storage, and transmission of information enabling these services to monitor information."

The unnamed organizations implied that AIR and its chief, Vasiliy Kupriyanovskiy, was trying to set up a system, independent from FAGCSI, of information telecommunications which contravened the plan for the creation of "a single information space" in Russia elaborated in the former KGB Directorate for Government Communications Service. On the basis of FAGCSI, naturally. Starovoytov, however, needed another six months for finally "eating up" the last unclassified information structure. No proof of Kupriyanovskiy's "pro-spy" activities could be procured and he was fired

the day AIR was abolished "for repeated gross violations of office discipline"—taking a trip to Italy without Sergey Filatov's authorization (but with the authorizations of Filatov's deputies).

The outcome of the standoff certified by the president's edict makes it possible for FAGCSI, led by a former KGB general, not only autocratically "to protect" all information circulating in the top organs of power, but also, and naturally enough, to monitor it in the same autocratic manner.

Program Views Mirzayanov Case, Chemical Weapons

LD2302225894

[Editorial Report] Moscow Russian Television Network in Russian at 1725 GMT on 23 February broadcasts its regular 10-minute "Details" program, introduced by Sergey Dorenko, which deals with the case of scientist Vil Mirzayanov who is accused of divulging state secrets connected with the development of new chemical weapons.

Vil Mirzayanov, who was detained on 27 January, was released yesterday on condition that he would not leave Moscow while his case was being reexamined. He is shown at home with his wife and two children. He says the conditions in the prison were unbearable and told a story when a fellow prisoner was severely beaten up by a warden.

In the past Mirzayanov headed a technical counterintelligence department at a Scientific Research Institute in Moscow.

Mirzayanov cannot explain why his colleagues in the West keep silent. He expresses the hope that scientists working on similar weapons for NATO will rebel against the system. He says: "Although my colleagues told me that there was a breakthrough in the field of developing new types of chemical weapons in the United States too, but, you see, this is nothing more than a guess. Of course, most likely, scientific research, whether we receive information about it or not, usually goes in parallel. I will not rule out that the United States has also developed similar substances."

According to Sergey Dorenko, Lev Fedorov, Mirzayanov's colleague and doctor of chemical sciences, says that Russia has already developed a chemical agent formula that was not included in the conventions prohibiting tests of chemical weapons and therefore, was not subject to elimination. No international organization can check whether that was true. In Fedorov's words, even Yeltsin "will never be able to check the fact that there are binary chemical weapons that are ready for use in combat operations."

Chemist To Divulge Secrets Unless Mirzayanov Freed

PM2302143194 Moscow TRUD in Russian 23 Feb 94 p 1

[Report by Igor Tsarev: "State Secrets for the Masses!"]

[Text] The case of chemist Mirzayanov accused of divulging state secrets concerning the development of chemical weapons is taking a new turn. In particular Valeriya Novodvorskaya has issued the following statement to the POSTFACTUM agency: "Inasmuch as the Russian president has found the time to express his distress over the tribulations of our hockey team at the Olympics and even telephoned personally to Norway while being unable to find either the time or the inclination to give an opinion on Vil Mirzayanov's imprisonment, on 21 February I sent two Western powers three secret studies of a strategic nature. That is I have done something which comes under Article 65 of the Russian Federation Criminal Code—"espionage."

In addition V. Novodvorskaya said that unless Vil Mirzayanov is released by 10 March she will hand over the formula for a Russian binary weapon (over which all the trouble started) to a European Community state. Let us note that the chemist V. Uglev also intended to make this secret public.

Russian General Prosecutor Aleksey Kazannik yesterday repealed the preventive restriction measure chosen by the course for detaining Vil Mirzayanov. Now he must be released immediately on the undertaking that he does not change his address.

Economic Issues

Analysts Suggest Ways of Solving Payment Crisis

LD2302203994 Moscow INTERFAX in English 1534 GMT 23 Feb 94

[From the "Presidential Bulletin" feature]

[Text] In a memorandum they submitted to President Boris Yeltsin the personnel of the analytical center of the socioeconomic department in his headquarters suggest ways to overcome the payment crisis which, they believe, can lead to a nation-wide social upheaval.

The document lists the causes of the crisis:

1. The government promised to much to pay and so had to print more money, which is likely to trigger hyperinflation.

2. Factories transfer their own funds and credits into deposits, foundation capital of joint stock societies and hard currency reserves rather than use them to pay debts.

3. Factory managers cannot be made answerable for failure to pay debts to their suppliers or to the taxation service.

4. The mechanism of putting businesses in order and liquidating them under the Insolvency (Bankruptcy) Act is not working.

5. There is no supervision of the transfer and use of centralized credits.

6. The production continues to decline against a background of high inflation.

The analysts suggest that the head of state should:

—Set up regional commissions which would urgently check the financial health of debtor businesses. Local administration, banks, taxation office and law enforcement agency officials must be members of the commissions. The commissions would identify debts which are attributable to failure on the part of the state to honor its commitments to the factories; identify factories which have hard currency accounts in the deposits in commercial banks, notably abroad and still are not non-payers; determine the export hard currency revenues of factories that failed to reach Russia; identify hopeless debtors and enter them in a special register to be handed over to the State Property Commission.

—Approach different kinds of factories in different ways. The experts think that the state should pay its debts to the coal mining and defense industries and to the farmers shortly. Credits should be given to enable power stations stay in business until the spring starts; after power stations should discontinue supply of debtor factories. Managers of other enterprises, notably of the gas and oil mining the president should be made additionally responsible if the commission finds that they failed to pay their suppliers by used the funds to deposit them in banks, to buy shares of joint stock societies or to buy equipment or if they have funds on hard currency accounts but do not exchange them for rubles to pay their suppliers. Factories must be compelled to pay their overdue debts from their hard currency accounts.

—Order the government to rule that every legal entity must have a maximum of three ruble and two hard currency accounts. The entity should submit data on all the accounts to the taxation inspection. Those who fail to do so must be forced to pay considerable sums. This ruling should be made consistent with criminal responsibility for tax evasion. In this way funds would be discovered that could be used for timely payment of debts to suppliers and tax evasion would be prevented.

—Order the government to introduce a procedure of mutual payment of debts by using LC-contracts that are used internationally. The essence of this procedure is that when a contract on supply of products is signed, the bank freezes the sum of the future payment in the payer's account. Once the product has been shipped, the bank transfers the sum to the supplier. In this way the customer cannot avoid payment of debts under the pretext of having no funds on his accounts and unreliable suppliers cannot cheat the consumers.

—Order the Central Bank to credit chiefly the final consumers so as to breath life into the chain of production financing and product sales.

—Tighten controls over use of appropriated budget funds and centralized credits so that they are used chiefly to pay debts.

—Impose stringent sanctions for delaying the payment documents going as far as withdrawing licenses from commercial banks and levying administrative punishment on cashier center managers.

— Regard organizing circulation of promissory note a priority task. Make additional organizational and material resources available to the State Property Committee for this purpose.

— Sell some of the debts incurred by factories to commercial banks, state financial institutions and foreign customers. Exchange the debts in some cases for long term liabilities of the state or state bonds at rates that vary with the status of the factory and chances of recovering the debt (the lower the chance, the lower the rate).

—Following in the footsteps of Western Europe, attract private firms for cyclic offsetting of claims (using the system of clearings).

—Hold an inter-agency conference of the State Property Committee, the Supreme Court of Arbitration, the Economy Ministry and the Finance Ministry with a view to working out a program of specific steps designed to make the Insolvency (Bankruptcy) Act work. No financial discipline is thinkable without bankruptcies.

Future Yeltsin Aide Outlines Economic Measures

MK2302114094 Moscow SEGODNYA in Russian 23 Feb 94 p 3

[Mikhail Lantsman report under the "Leaders" rubric: "Professor Yasin Has Suggested Chernomyrdin Become Marshal Zhukov in Order 'To Create Reserves for a Decisive Offensive'"]

[Text] Announcing an address by Professor Yevgeniy Yasin at yesterday's meeting of the "Leaders Club," an elite public organization comprising chiefs of industrial enterprises and commercial businesses, the chairman—Arkadiy Volskiy, chief of the Russian Union of Industrialists and Entrepreneurs—said that Yasin would soon assume a senior office at the presidential staff and reminded the audience of the president's message to the State Duma, which should dot the i's in the lengthy discussion on the government's new economic deal. Volskiy's preliminary remarks have thus added weight to the professor's private assessments.

Yevgeniy Yasin pointed to two extreme views of the two-year experience of economic reform. The first, set forth in the well-known report drawn up by academicians, is that Gaydar's policy was a failure. The second, monetarist one, is that there is a natural process under way, but the government lacks sufficient stick-to-itiveness in pursuing a tight monetary policy; that the state should learn to live within its means without covering budget gaps by creating extra money.

In Yasin's view, there has been no failure of the reform policy. The critics, Yasin said, do however fail to see important achievements, such as the stabilization of the ruble, which was achieved without any administrative intervention, the Central Bank's positive refinancing rate, and the partial redressing of price imbalances as a result of price liberalization. The crisis cannot be overcome only by skills in tinkering with macroeconomic indicators, he continued. The main problem of 1994 is the reduction in inflation rates. "The struggle against inflation is a necessary measure for any responsible government," Yevgeniy Yasin said. Attempts to manage the inflationary process with a monthly inflation rate standing at 20 percent will be doomed to failure.

Among priority measures to adjust economic reform Yasin mentioned the tightening of taxation discipline and the government's efforts to boost private investment in the production sector.

"We need to carry our a strategic maneuver, something Zhukov did in the battle of Moscow—not to squander money to patch up holes, but to create reserves for a decisive offensive," was how Yasin summed up his address. When asked by a director whom he sees as suited for the role of Zhukov, he said without hesitation: "Viktor Chernomyrdin is quite capable of lifting the economy out of the crisis."

Nuclear Plants' Cash Problems Viewed

PM2302165194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Feb 94 p 3

[Feature consisting of two reports under the rubric "Attention, Danger!" First report by Igor Mosin: "Shivering by Nuclear Stove." Second report by Vladimir Gubarev: "Fission as Social Disease"]

[Text] Desnogorsk, Smolensk Oblast—The first step has been taken toward shutting down Russia's nuclear complex. The Smolensk AES [nuclear power station] has reduced electricty production by 30 percent. The Kursk, Leningrad, and Novovoronezh AES's will be forced to follow its example in the coming days.

I walk down the AES' long deserted passageways together with its director. Now only duty personnel and security are working here.

"Where does the paradox of the current situation lie?" A. Zemskov, chief of the Russian Ministry of Atomic Energy public relations board, asks. "In the fact that AES's provide consumers with electricity which is half as expensive as that produced by thermal power stations. But the 'YeES Rossii' Russian joint-stock stock company—the organization involved in the distribution of electric power and collecting money for this—'treats' its consumers as if all power is produced at thermal stations. And continually raise their prices. Typical monopolist mentality. If we had the opportunity to supply power directly to consumers, it would cost them exactly half as much."

There is a normal working atmosphere at the power station's control desk. The director requests personnel to prepare to reduce capacity. They show no concern.

Five, 10, 20 minutes pass. The operator pulls some levers and presses some buttons. Figures flash up on a monitor. Capacity has begun to be reduced. Somewhere behind the nuclear reactors' very thick walls the nuclear processes have begun to slow down. You see it is all very simple and commonplace.

How might events develop in the future? Today AES's are shutting down because they do not have the money to buy fresh nuclear fuel. The "YeES Rossii" Russian joint-stock company is 50 billion rubles [R] in debt to the Smolensk AES alone. In all this respected monopoly is more than 350 billion in debt to the nuclear complex. To be fair I must say that consumers are considerably in debt to the "YeES Rossii" Russian joint-stock company as well. This is another of the age's economic paradoxes. Gasoline is selling like hot cakes but the oil refineries are shutting down. Electricity is in a similar situation.

If the AES's do not get the money owed them in the near future, they will reduce their capacities to 40, then 50 [figure as published], then 20 percent. Then a full shutdown will occur. [end of Mosin report]

The crisis in Russia's nuclear power industry is increasing—you can count the days the fuel will last at the AES's.

Enterprise directors have been meeting for several days now at the "TVEL" concern, which produces nuclear fuel, in order to find a way out of the crisis.

What has the nuclear power industry thought up?

Uranium pellets are produced at a combine in Ust-Kamenogorsk, Kazakhstan. From there the pellets have to get to "Mashinostroitelnyy Zavod" in Elektrostal, where rods are produced, and only then do the rod assemblies go to the Leningrad AES. This well-known AES worked "for nothing" last year—it produced electricity but received no payment. Consequently, it is unable to pay for the fuel from Elektrostal, which in turn is not paying for the uranium tablets to be produced. What is more, Ust-Kamenogorsk is now in a foreign country, so that there are in addition all sorts of interstate complications here....

The "new economic plan" devised at the "TVEL" concern is as follows. The Ust-Kamenogorsk combine is in

debt to Kazakhstan's power system for electricity, the latter is in turn in debt to YeES Rossii, and it has already built up a debt of many tens of billions of rubles to Leningrad AES. Mutual clearing settlements are made along this chain. Plants in Izhora are also not settling their electricity bills. Now Izhora is going to give away its excavators which Kazakhstan needs and which it cannot pay for, and in their place uranium pellets will go to Elektrostal. The only thing is that you cannot pay the enterprises' workers either in uranium pellets or excavators.

Superficially, the "new system" of payment looks attractive: The plants work and the AES's are not shut down. But it was barter which was preeminent in the feudal period, and which finally made that state system collapse.

The Russian nuclear power industry produces the cheapest electricity. According to the conclusions of international experts, it worked in as reliable and efficient manner last year as the Japanese, and according to the majority of indicators surpassed the French and in particular the Americans. I must repeat that these figures come from international organizations! The only thing is that we and the government are making incredible difficulties for it (seemingly deliberately!). Unfortunately, we simply have not heeded the lessons of Chernobyl and are unable to learn from our own misfortunes.

Military & Nuclear Issues

Yeltsin Addresses Military Students

LD2302215694 Moscow ITAR-TASS World Service in Russian 1801 GMT 23 Feb 94

[By ITAR-TASS correspondent]

[Text] Moscow, 23 Feb—Below follows the text of the speech made by Boris Yeltsin, the president of the Russian Federation, at the Suvorov military school in Moscow on 23 February where he addressed students of the Suvorov and Nakhimov military schools.

Dear Suvorov and Nakhimov students, dear cadets! Dear veterans, servicemen of the Russian Army and teachers! Dear friends!

You have chosen for your profession serving Russia, protecting Russia's people and its peaceful life. Please accept my warm congratulations on the Day of Defenders of the Motherland. From all my heart I wish you good health and happiness, as well as success in your noble career.

The military profession, the profession which defends the motherland has been respected and honored in Russia since ancient times. It has been the destiny of the Russian people to have to fight for its freedom and independence for centuries.

The valiant defenders of our native soil were always the first to rise up in the path of the foe. Their heroic battle deeds have forever become part of Russian history and have left a deep imprint on the whole of our culture. Many events of epoch-making importance for Russia resound with their glory.

Today we pay a tribute of respect to our veterans and to everyone who with their blood and by their heroism and incredible exertions gained victory and earned peace and our enormous gratitude.

The other day we marked the fifth anniversary of the withdrawal of our troops from Afghanistan. That war remains forever in our history, which, however much one might try, cannot be rewritten afresh. In one way or another that war affected each of our hearts, and the pain still remains painful and the bitterness still remains bitter.

One should cast no doubts upon the true valor and heroism, and loyalty to the military oath and to their homeland which our soldiers and officers displayed during that undeclared war.

The state is indebted to these people. And we will do everything possible for the social protection of the Afghantsi, the families of the deceased, those who are missing, and the disabled.

There is no purpose in speaking about the past, about the great victories and accomplishments, about defeats and setbacks, without a firm belief in the future.

In its most difficult periods three things have helped Russia to stand the tests and to take heart in its great, indestructible foundations: spiritual might and the creative genius of the people, immense natural resources and the valor of its defenders.

Our generation has enormous responsibility to treat with care the legacy we have inherited and, no matter how difficult it might be, to multiply it and to pass the baton with dignity to future generations.

The defenders of Russia always had only one goal—to protect the country and to establish the people's sacred rights without which a peace and stable development of civic life is not possible.

Soon, you, who bear the honorable name of Suvorov and Nakhimov cadets, will have to fulfill the honorary goal.

You are successors to the best combat traditions in the Russian army and fleet. You, future officers, are to carry and multiply the glory of Russian armor.

Aleksandr Vasilyevich Suvorov used to say that a good name of a man lies in the glory and well-being of his Fatherland.

May those voluminous words—duty, honor and the Fatherland—be your motto in life. Such is the sacred precept of many generations of defenders of the Russian

state. So long as this behest is alive, so will the state remain, so will the people live.

Profound changes are taking place today in the army and throughout the country. It would be simply impossible otherwise. Our army has not been renewed throughout two decades. It hardly needs saying what this means to the state's defense capability, and to you, the people of the military.

That is why the country's armed forces have been given the task to step up the military reforms. They began in 1992, but, clearly, what has been done so far is insufficient. There is now an opportunity to act more resolutely and consistently.

The new Russian Constitution has been adopted. The legal basis of the work of the armed forces has been sealed in the recently adopted military doctrine.

I would like to stress that this doctrine is of a defensive nature. In other words, Russia does not wittingly treat any one state as its enemy.

Of course, the main points of the doctrine are not dogma. They will be amplified as the situation unfolds. But the country has designated clear objectives in the sphere of security and the means to achieve them. And the armed forces have received clear guidelines for their development. They are, as follows:

—flexible organization;
—compactness;
—mobility;
—being equipped with the latest technology and weaponry;
—being staffed with highly professional personnel.

Of course, it will take time and a lot of effort to achieve these guidelines. It is even more so since the country received an extremely deranged military legacy.

Russia bears on its shoulders the heavy burden of providing accommodation and amenities for the formations and units that are being withdrawn from abroad. There are problems with financing the troops' vital activities and their supplies. The social protection of servicemen, the providing of accommodation for them, etc. are becoming very acute issues.

More important is the role of a meticulous and lucid Russian defense policy.

As one knows, with the withdrawal of troops from East European countries, the first defense echelon of the former Soviet Union has disappeared. The troops of the second echelon have now come under the jurisdiction of Ukraine and Belarus. Their withdrawal from the Baltics is under way.

As a result, the Moscow, Leningrad and North Caucasian military districts, which were previously internal ones, have now become border military districts. The Urals and Volga military districts are becoming a base for the preparation of mobilization resources and the basis for the creation of a new operational strategic formation.

To all intents and purposes, the groupings of conventional armed forces in the territory of the Russian Federation will have been created afresh before 1995. The overall number of groupings and formations is to be sharply reduced. At the same time they will be provided with the most up-to-date and efficient armaments and military equipment. The military will have reliable weapons in their possession.

The groupings being created will be capable of rebuffing aggression in local and regional wars and military conflicts.

If a large-scale war is unleashed, they will ensure the strategic deployment of the armed forces.

In line with this, a whole defense infrastructure on Russian territory will be essentially changed (and to a considerable degree created anew).

It is particularly important to resolutely renounce the residual principle with regard to the officers' corps and all the personnel which has already become a tradition.

The armed forces are experiencing a chronic lack of attention from the state and the entire society to its needs. This is an unwholesome practice. It demoralizes people and makes them doubt the importance of their military service to the state.

Therefore, the vital goals of the reform's present stage include the following:

—creating and consolidating legally a system of social guarantees for the servicemen, members of their families, servicemen transferred to the reserve and retired military (including those who took early retirement);

—switching over to a combined system of enlistment for the Army and Navy;

—introducing alternative forms of service.

One of the priority tasks for the coming year is to create mobile forces, capable of rapid deployment, redeployment, and carrying out combat operations in any areas and regions where a threat to Russia's military security may arise.

It was necessary to transfer the battalion to the area of Sarajevo, and in accordance with the Minister's order, after negotiating six passes in 24 hours, it was at the appointed spot and carried out a crucial task which the whole of the world is applauding.

Today many of our soldiers have to serve outside Russia—in the border states and in Yugoslavia, where the flames are raging of an interethnic, fratricidal war. The mission of these Russian sub-units is a noble and peacekeeping one: to stop the bloodshed and restore peace and stability in these regions. They are serving Russia, and its security is being guarded on its distant approaches.

There our soldiers are having a more difficult time of it than inside Russia where no fires of interethnic conflict are blazing.

Speaking of which, I cannot help mentioning the event which in the past few days became especially important for the world community. I mean the Bosnian crisis.

It has tested the strength of our course by demonstrating to the world the true potential of the Russian foreign policy. First of all, our ability to firmly defend the national and state interests of the country.

Russia, as member of the UN Security Council and an equal member of the democratic world community, demonstrated its right to participate in adoption of the key world policy decisions, especially, if these involve its legitimate interests and international obligations.

And the world listened to our voice. The mechanism of partnership with the West has been tested. It did work, albeit not immediately, and with some interruptions. The fundamental principle of the Russian foreign policy—dialogue and cooperation with the leading states—has proved right.

The Sarajevo crisis also revealed that our course aimed at the strengthening of the United Nations in every possible way as the principal international organization for maintaining peace was right.

The result of these efforts is a cease-fire in Sarajevo without a new escalation of the military conflict in Bosnia.

The events around Sarajevo is a call for common sense to all those involved in the conflict. The logic of peace should, at long last, gain victory over nationalist emotions which have led the peoples of Bosnia-Herzegovina to the limit of human suffering.

I hope all the parties in the conflict will fulfill their obligations to the United Nations, ensure a reliable cease-fire and not allow provocations against the international peacemaking forces, inter alia against the Russian contingent currently deployed in the Sarajevo.

We shall increase the peaceful attack in close cooperation with the United Nation and our partners. The aim is to make the cease-fire in Sarajevo a turning point to peace in the whole Bosnia.

The power of the army is in its high moral spirit which is based on the continuous ties with the society, the strict discipline, and the subordination to the law, the high battle training, and the psychological readiness.

This is a well-known fact to the elderly people, our veterans, who all their lives served their country and their people faithfully and truly.

Let us bow low to them for this. The new generation of defenders of the homeland has an example to follow.

You, the young servicemen, are the hope of the Russian Army and Navy. Be worthy of your forebears' glory, study well, prepare yourselves morally and physically to defend our Motherland. You have good conditions for all this, though I agree that you need some help now and then—all the more so that your school will soon celebrate its 50th anniversary.

I congratulate everyone present on today's holiday—the Day of Defenders of the Motherland. I wish good health, happiness and success to all of you, your teachers and your families!

Seeks Decrease in Troops Abroad

LD2302174994 Moscow ITAR-TASS in English 1700 GMT 23 Feb 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow February 23 TASS—President Boris Yeltsin said on Wednesday that Russia wants to minimise the number of its troops which are acting as peace-keepers in war-hit regions.

"We are worried for our guys and adopt all political and diplomatic measures so that there are as few Russian troops abroad as possible", Yeltsin said during a meeting with Moscow teenagers studying in military schools.

The Russian Army would become in the coming years a "mobile, well-organised (force), equipped with latest weapons and armaments and with highly professional personnel", according to the president.

Yeltsin called to accelerate the reform in the Armed Forces which he said is going not actively enough.

He said that the structure of the Armed Forces would be considerably changed. The number of major units and formations will be reduced, while the remaining ones will be reinforced with personnel and modern weapons and hardware.

"Only in this case they (units) will be able to localise any conflicts", the president said.

Yeltsin's Greetings on Fatherland Defenders Day

LD2302153594 Moscow ITAR-TASS World Service in Russian 1025 GMT 23 Feb 94

[Text] Moscow 23 Feb—Russian President Boris Yeltsin has sent greetings to the personnel and veterans of the Armed Forces of the Russian Federation on the occasion of the Day of Defenders of the Fatherland, which is marked on 23 February.

The president's press service has circulated the text of the greetings, which say:

To the personnel and veterans of the Armed Forces of the Russian Federation: With all my heart, I congratulate servicemen and members of their families, veterans of

war and the Armed Forces, and the civilian staff of the Army and Navy on the Day of Defenders of the Fatherland.

The Day of Defenders of the Fatherland holds a special place in the calendar of festivals. All the people celebrate it, paying a tribute of respect and gratitude to Russian servicemen.

It is they who were the first to stand up against those who tried to destroy our state with fire and sword and to enslave our people. During the most difficult, mortally dangerous moments of the war, they bore the salvation of Russia without sparing their lives.

Today it is you, servicemen of the Army and Navy, who are the worthy heirs and successors of martial traditions. Under difficult conditions, you are displaying steadfastness and endurance and are honorably carrying out your professional and civic duty.

Like the whole of the country, the Armed Forces are currently going through a period of deep transformation. The Army is one of the main foundations of Russian statehood, the guarantor of peace, the guarantor of stability in the country and of the people's democratic gains. It is for this reason that it must be mighty and mobile, equipped with the most effective weapons systems. The state will do everything so that servicemen and members of their families will feel protected in social terms, in order that the prestige of the military profession is enhanced.

I have no doubt that the personnel of the Russian Armed Forces will continue to be faithful to the Constitution, to their oath and duty, and will cherish the military vocation and military comradeship.

I wish you, dear servicemen, your families and friends, veterans and civilian staff of the Army and Navy, robust health, happiness and prosperity. Honor, glory, and immense gratitude to you for your difficult military labor. I wish you success in your service and lives!

[Signed] B. Yeltsin

Grachev Tells Veterans Russia Has Strong Army

LD2302191094 Moscow INTERFAX in English 1130 GMT 23 Feb 94

[Text] Army reform "is going tough, lagging behind the plans we drew up, but it is still going," Russia's Defence Minister Pavel Grachev told Interfax on Wednesday. Yet, he stressed that "over almost two years Russia had managed to create a strong army," although, by his admittance, not the army he dreams about.

At this complex time for the Russian army, Grachev remarked, about 16,000 Russian servicemen are on peaceful duties in Georgia, Moldova, Tajikistan and other countries in CIS and elsewhere.

He recalled that several days ago Russian troops demonstrated their power in former Yugoslavia, where they marched along bad roads in heavy snow and after covering 500 kilometers ahead of time reached Bosnia's capital Sarajevo.

"I have met with foreigners in CIS and other countries, and I can say that they are sympathetic toward our army," the minister said.

The Army and Navy Day, observed on February 23, is a holiday not only for servicemen but for the entire people, Grachev stressed. "Those who slander the army are simply ignorant people or those who hate not only the army but our Russia," the defence minister declared.

Says Republics Lack Proper Army

LD2302200594 Moscow INTERFAX in English 1406 GMT 23 Feb 94

[Text] Russian Defense Minister Pavel Grachev told a meeting of veterans and servicemen in Moscow Wednesday [23 February] that none of the former Soviet republics had a proper army. He attributed this to shortage of skilled men and absence of command structures or deployment systems. This is the reason why Russia has undertaken to send troops on peacekeeping missions to 'hot spots' in the former USSR. "There are numerous Russians residing in conflict areas and we must protect their interests," the minister said.

He said that the reform of the Russian armed forces had run into problems in terms of the financing and construction of homes for servicemen. He hoped nevertheless, that the compact and mobile forces that are required by the new military doctrine would be set up.

Order for Defenders of Fatherland Day

PM2302143394 Moscow KRASNAYA ZVEZDA in Russian 23 Feb 94 p 1

["Order No. 49 of the Russian Minister of Defense," signed by Army General P. Grachev, Russian Federation minister of defense, dated Moscow, 21 February 1994]

[Text] Comrade soldiers and seamen, sergeants and noncommissioned officers, warrant officers, petty officers, and other officers!

Comrade war, labor, and Armed Forces veterans!

On 23 February 1994 the Russian Federation celebrates a remarkable day—Defenders of the Fatherland Day.

Throughout history the Army and Navy have served the people and the Fatherland, and they continue to serve them today. Many events in Russia's history are adorned by the valor and glory of the Armed Forces. The feats of the soldiers of the Great Patriotic War, who liberated many countries from fascism and militarism, will remain in the people's memory for centuries. Their selfless devotion to the Motherland, their ardent patriotism, military skill, and loyalty to their duty and oaths of

allegiance are an unfading example for servicemen of the Russian Armed Forces on the eve of the 50th anniversary of the Great Victory.

The consolidation of unity, esprit de corps, and military comradeship in military collectives and the people's respect for the honor and dignity of the defenders of the Fatherland are today an important factor in the internal stability of society, a pledge of the successful performance by Army and Navy servicemen of tasks aimed at safeguarding the defense and security of the country. War, labor, and Armed Forces veterans make a significant contribution to strengthening the motherland's defense capability and to young people's patriotic education.

I salute and congratulate you on Defenders of the Fatherland Day, dear comrades.

I wish Army and Navy personnel every success in consolidating the Motherland's defense capability, increasing combat readiness and the quality of professional training, and strengthening organization and military discipline.

I wish war, labor, and Armed Forces veterans good health and happiness, and success in raising the rising generation in the traditions of loyal service to the people and for the good of Russia.

To commemorate Defenders of the Fatherland Day I order:

That festive firework displays take place 23 February 1994 at 2100 hours local time in the hero-city of Moscow, capital of our motherland, and in the hero-cities of St. Petersburg, Volgograd, Novorossiysk, Tula, Smolensk, and Murmansk, and also in the cities of Kaliningrad, Rostov-na-Donu, Samara, Yekaterinburg, Novosibirsk, Chita, Khabarovsk, Vladivostok, and Severomorsk.

[Signed] Army General P. Grachev, Russian Federation minister of defense

Navy Denies Captured Sub From Pacific Fleet

LD2402130494 Moscow ITAR-TASS in English 1241 GMT 24 Feb 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow February 24 TASS—The Russian Navy denied reports that a nuclear submarine from the Kamchatka flotilla of the Pacific Fleet had been netted by a Russian seiner 10 miles off the coast of the peninsula on Sunday.

"Submarines of the Pacific Fleet have nothing to do with the incident near the coast of the Kamchatka Peninsula", the press service of the Russian Navy told TASS on Thursday.

According to the military, only one nuclear submarine of the Kamchatka flotilla was at sea during the time. After its return to the base representatives of the company which owes the fishing vessel checked the U-boat and did not find either the net or any traces of damage. Besides, a detailed investigation which also studied the submarine's register and other documents confirmed that the U-boat was not involved in the incident.

The Kamchatka-based VESTI newspaper reported on Wednesday that the Russian "Kamsudo-3" seiner had netted a nuclear submarine which safely escaped together with the net worth 20 million roubles.

The ship mistook the submarine for a big shoal of fish. The submarine turned out to be right under the fishing vessel and had it surfaced there would have been a shipwreck.

Astonished fishermen watched the surfaced conning tower of the U-boat pass along their vessel and disappear together with the net, the newspaper said.

It added that this was the second incident of the type. The first one was registered in 1976.

Now it remains to clear up who the submarine belonged to.

Conference Held on Problems of Nuclear Storage

LD2302135794 Moscow Russian Television Network in Russian 1100 GMT 23 Feb 94

[By V. Lavrushenko, including recorded remarks by A. Zhokin, deputy chief of GosAtomNadzor; from the "Vesti" newscast]

[Text] [Lavrushenko] The production of nuclear weapons still remains a very well-kept secret—not only for the uninformed population, but also for the federal radiation safety control bodies. The All-Russia Conference of GosAtomNadzor [State Committee for Supervision of Nuclear and Radiation Safety] that was held in Novosibirsk stated this fact with alarm. Now the regions that produce nuclear weapons have the added problem of storing radioactive materials that have been taken out of service. It is proposed to set up one of the storage depots in Tomsk-7.

[Zhokin] It must, naturally, be stored in a dismantled state, and it must further be regenerated and processed once again in the place where it was produced. There are no other places; they do not exist.

[Lavrushenko] This is regarded as an unconvincing argument by the population of areas where bombs have been assembled for many years without the population's knowledge, and where—on the basis of this argument—unexploded bombs will now be stored again for many generations, even though the military and the Ministry of Atomic Energy are trying to win the Tomsk and Siberian residents' agreement by offering large sums of money.

The explosion in Tomsk-7 last year was a much more convincing argument.

Su-34 Bomber Described in Weapons Feature

LD2302230994 Moscow Radio Moscow in Russian to Tajikistan 1700 GMT 23 Feb 94

[From the "Radio Slavyanka" program of the Russian Defense Ministry]

[Summary] Slavyanka is to run a regular feature on the fourth Wednesday of each month entitled "The Russian Arsenal" devoted to Russian advanced weaponry.

The Su-34 front-line bomber is to replace the Su-24 and Su-24M. It has a range of 4,000 km. Its on-board computer and other radio-electronic equipment with multiple back-ups can bring the aircraft to its destination in any weather conditions with a precision of one meter. Its homing missiles and bombs can be launched from a range of up to 250 km. The two-man crew sit alongside each other in a comfortable air-conditioned cockpit. It has an artificial intelligence, an active safety system which allows acrobatic maneuvers at a speed of 1,400 km/hr and at very low altitudes. It can overcome air defense systems. The cockpit has 17-mm armor to defend the airmen from stray bullets.

Many of the aircraft's other features are still classified.

Federal Assembly

Rybkin Urges Government of Accord

MK2402111094 Moscow NEZAVISIMAYA GAZETA in Russian 24 Feb 94 p 1

[Ivan Zasurskiy report under the "Reform" rubric: "Council of Ministers Meeting Postponed Over Premier's Flu. Ivan Rybkin Wants To Set Up Government"]

[Text] It became known yesterday that the Council of Ministers' enlarged session was postponed from Friday tentatively to Thursday, 3 March, due to the premier's illness.

On 21 February, Viktor Chernomyrdin was diagnosed as having flu with acute inflammation of upper respiratory tracts. Flu of this variety is usually over in a week's time; at worst, it can take one and a half or two weeks. Chronic pneumonia is among possible complications.

Apparently not yet aware of Chernomyrdin's serious ailment, Ivan Rybkin, opening the Duma plenary session on Wednesday, put forward the idea for a national accord government (this is the second "encroachment" [nayezd] at Chernomyrdin on the part of those willing to form a government—the first one came from Yavlinskiy).

Speaking before the discussion on a package of decrees on amnesty and the memorandum "On Accord in Society," Ivan Rybkin declared: "We are condemned to agreement in order to pull out of the all-pervading crisis.... Young energetic economists have elaborated a program for bringing Russia's economy out of crisis, and it could become a basis for forming a government of national accord. That government could have a firm majority in the Duma, which would, in the final analysis, lead to the stability of executive power."

In the given case the "young and energetic economists," the guiding lights [vershiteli] of the report "The Guidelines for the Forming of Economic Policy," are understood to be Sergey Glazyev (Economic Policy Committee head); Yuriy Petrov, laboratory head of the Central Economic-Mathematical Institute; and Aleksandr Ageyev, head of the MAPO [expansion unknown] analytical service. This report is also known as "Glazyev's report" and "the economic conference report" (the autumn conference—not to be confused with the summer conference report).

Duma Sends Greetings to Servicemen

PM2302122194 Moscow ROSSIYSKAYA GAZETA in Russian 23 Feb 94 First Edition p 1

[Unsigned message No. 61-1 SD from the Russian State Duma "To Defenders of the Fatherland," dated Moscow, 18 February 1994 and published under "In the State Duma" rubric]

[Text] The deputies of the Russian Federation Federal Assembly State Duma have a high opinion of the performance of Russian Armed Forces personnel who are fulfilling their duties to defend the fatherland's state interests and security in the current difficult socioeconomic situation.

Cordially greeting all Army and Navy personnel, veterans of the Great Patriotic War, and former internationalist soldiers on Defenders of the Fatherland Day, we express our confidence that every one of you will continue to give exemplary service to the motherland and will make his contribution to the cause of the rebirth and renewal of a great Russia.

In its legislative activity the State Duma will always keep its attention focused on questions of creating a legal basis for strengthening the country's defense capability and for providing social guarantees to Russian Army and Navy personnel, members of servicemen's families, Armed Forces and Great Patriotic War veterans, and former internationalist soldiers.

[Dated] Moscow, 18 February 1994

Armed Forces Subcommittee's Rodionov Interviewed

PM2302114794 Moscow KRASNAYA ZVEZDA in Russian 22 Feb 94 p 3

[Vladimir Yermolin report on interview with Yuriy Rodionov, member of the State Duma and chairman of the Subcommittee on the Activity of the Armed Forces, Other Troops and Troop Formations: "The State Duma Needs People Who Know the Army's Problems. In the Opinion of the Member of the State Duma and Chairman of the Subcommittee on the Activity of the Armed Forces, Other Troops and Troop Formations, There Is an Acute Dearth of Professional Military Men Among the Deputies"]

[Text] In conversation with your KRASNAYA ZVEZDA correspondent, Yuriy Rodionov stressed that a considerable part of the questions which are examined by the lower chamber of the Federal Assembly require professional knowledge in the sphere of defense. This is particularly true of the Defense Committee. However, in the deputy's words, the State Duma has a shortage of servicemen, that is, of people who know the Army's problems other than by hearsay. It will take time for the defense committee to become really capable of work. Although, according to Yuriy Rodionov, there are "intelligent civilian specialists" on the committee who are seriously intent on getting to grips with the problems of the Russian Federation Armed Forces.

Colonel General Rodionov considers the active involvement of servicemen in the campaign for election to the local organs of representative power to be essential. "The situation today is such," he says, "that servicemen themselves are currently the best representatives of their own interests in the organs of power. However, it is essential not to make the wrong choice. The experience of previous election campaigns shows that some candidates based their programs on a conflict with the command and were thus less inclined to get involved in legislative activity, expending their energy on making political statements instead. The experience of service combined with general human qualities is the guarantee that our elected representative will not forget the interests of his voters.

As for the legal basis of the serviceman's period as a deputy, Yuriy Rodionov said that a group of deputies have put forward a proposal to introduce amendments to the Law on the Status of the State Duma Deputy. The amendments envisage the secondment of the serviceman deputy for the period of the discharge of his duties as deputy. According to the parliamentarian's proposal, the relevant statute could specify the mechanism for the exercise of that right: the servicemen would be excluded from the roster of a unit (establishment or enterprise) but would remain on the roster of the Armed Forces, in other words they would not be discharged and would retain all their legally enshrined benefits. In that event the rights of servicemen would not be inferior to those of miners, oil workers, and so forth.... At the end of his term as a deputy the serviceman would return to his unit.

Duma Approves Resolution on Agriculture

LD2302204894 Moscow INTERFAX in English 1721 GMT 23 Feb 94

[Text] Aleksandr Nazarchuk, head of the Agrarian Committee of the State Duma, the lower house of the Russian parliament, said on Wednesday that the draft government resolution "The Economic Conditions for the Functioning of the Agroindustrial Complex of the Russian Federation in 1994" was signed late on Tuesday night. The document caused disagreements at a February 3 government presidium meeting.

Nazarchuk said at a news briefing that Russia's agrarian sector had this year received a credit of only 270 Bn rubles at 213 percent interest. Altogether the sector is to receive under the government resolution "five trillion rubles instead of the six trillion necessary to carry through the spring sowing and end the wintering of the livestock," he said.

The agroindustrial complex demanded a credit of 14 to 15 Tn rubles for this year, and those were the figures indicated in the original version of the resolution, Nazarchuk said. But in the version signed on Tuesday all the figures are much lower, he said.

Vyacheslav Zvolinskiy, chairman of the Agrarian Policy Committee of the Federation Council, the upper house of the legislature, in this connection expressed skepticism about "the hopes of the Ministry of Agriculture and Food to produce 85 Mn tonnes of grain this year" (Russia produced 100 Mn tonnes last year and 106 Mn tonnes in 1992). He does not expect this year's harvest to top 60 or 70 Mn tonnes, "which would last Russia 180 to 200 days, and then it will be living on doles."

Zvolinskiy said Federation Council deputies might propose a vote of confidence in the government if it did not change its agricultural policy.

Move to New Premises Set for Fall

PM2302145594 Moscow ROSSIYSKAYA GAZETA in Russian 23 Feb 94 First Edition p 1

[Unattributed report under "In the State Duma" rubric: "Parliament Changes Address"]

[Text] By fall the State Duma will move to its permanent residence—a complex of buildings along the capital's Okhotnyy Ryad thoroughfare and Georgiyevskiy Pereulok. Repairs are under way in these buildings to replace old fire-hazardous partitions. This was reported in an interview with ITAR-TASS correspondents by Sergey Filatov, leader of the Russian President's Administration. In his opinion "the Russian Federation president's edict has written the final chapter in the epic of the State Duma's accommodations."

The lower house of parliament will be temporarily accommodated in the Russian Management Academy in the southwestern part of the capital. The president's administration has counterarguments against protests from the Russian Management Academy collective. The point is that the audit carried out by the Control Administration under the Russian Federation president revealed numerous infringements of tax discipline by the Russian Management Academy leadership. Thus, numerous commercial structures which rent the academy's premises are either not officially registered at all or do not pay taxes to the state budget.

As is known, under the Russian Federation president's edict the Russian Management Academy will move to the parliamentary center building on Tsvetnoy Bulvar.

Regional Affairs

Yeltsin Addresses Chechen, Ingush Peoples

LD2302185094 Moscow ITAR-TASS World Service in Russian 1028 GMT 23 Feb 94

[Text] Moscow, 23 Feb—Russian President Boris Yeltsin addressed the Ingush and Chechen peoples on the anniversary today of the deportation of these peoples in 1944. The press service of the President of the Russian Federation has distributed the text of this address:

Address to the Ingush and Chechen peoples: Esteemed compatriots! Today, on the tragic anniversary of the deportation 50 years ago of the Ingush and Chechen peoples, I offer you my sincere condolences and sympathy. The Ingush and the Chechens became the victims of the criminal arbitrary measures taken by Stalin and Beriya. It is particularly incredible that it took place when the best sons of the Vaynakh people were displaying their heroism and loyalty to their patriotic duty alongside other peoples of Russia at the front in the Great Patriotic War.

It is also a terrible truth that totalitarianism implanted "delayed-action mines" in interethnic relations. Unfortunately, they have started to explode in our times of nascent democratic change. This is especially felt in the case of the Ossetian-Ingush tragedy. I mourn with you over the victims of the armed conflict, and share the grief of those who have lost family and close ones, who are looking for a roof over their heads.

I want to assure you that it has been and remains my goal and concern to eradicate the grave consequences of the tragic events. With this in mind, I signed a decree on 13 December 1993, the main aim of which was to return refugees and deportees to their original place of abode.

We are firmly on the road to thorough democratic transformation, to creating a genuinely lawful, humane Russian state. We are coming up against quite a few obstacles and problems, one of which is the unresolved nationalities issue, whose seriousness, even existence, were practically ignored before.

The Northern Caucasus, where dozens of peoples live in a small area, remains the most difficult region today in this respect. But problems can only be solved by political means, with armed force ruled out.

I am convinced that democratic Russia is capable of resolving any issue for the sake of a better future for its peoples and for each citizen. One confirmation of this is the Law "On the Rehabilitation of Repressed Peoples", which lays down the legal bases for the restoration of historic justice.

The federal bodies of state power have directed much effort at improving the situation in the Northern Caucasus. The right of the Ingush and Chechen peoples to an independent national state system in the Russian Federation has been restored. They have been given the same opportunities for development as other peoples of the Russian Federation on the basis of the rights and freedoms guaranteed in the Russian Federation Constitution.

The situation now is that you yourselves must move forward towards national revival in all spheres of public life by patiently settling disputed issues with your neighbors on the basis of mutual accord. You can count on the help and wholehearted support of the Russian president, the federal bodies of state power and of all peoples of the Russian Federation.

I am convinced that it is only through democracy and firm constitutional law and order, without legal excesses or lawlessness, but using the wise traditions of Caucasian peoples tested over centuries, that peace and interethnic accord can be achieved in the North Caucasian region along with calm and wellbeing in every Ingush and Chechen family.

50th Anniversary Marked

LD2302201094 Moscow INTERFAX in English 1406 GMT 23 Feb 94

[Text] Mourning ceremonies devoted to the 50th anniversary of the coercive deportation of the Chechen and Ingush peoples by the Stalin regime to Siberia and Central Asia were held on Wednesday [23 February] in Chechnya.

A memorial devoted to deportation victims was opened in Groznyy, the Chechen capital. About 5000 stones taken from cemeteries and used for road construction and other purposes after the Chechens' deportation in 1994 are in the center of this memorial.

Chechen President Dzhokhar Dudayev addressed several thousand Groznyy residents and citizens from other regions of the republic after a mourning and public prayer ceremony. He said that more than 600,000 Chechens and Ingushes perished during the deportation period.

A military parade took place in Svoboda Square in front of the presidential palace in the center of Groznyy. Dudayev commanded the parade.

The coffin with the body of Georgia's late ex-president Zviad Gamsakhurdia was carried on an artillery gun-carriage via the square before the parade. The coffin was placed in the marble hall of the House of Government. Gamsakhurdia's burial ceremony is scheduled for 15:00 local time on Thursday, February 24.

Shumeyko on Situation in Caucasus, Tatarstan Treaty

LD2302203194 Moscow ITAR-TASS World Service in Russian 1506 GMT 23 Feb 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow, 23 Feb—Vladimir Shumeyko, the chairman of the Federation Council, expressed a suggestion that this year a treaty may be signed between the Russian Federation and Chechnya, which is similar to the one with Tatarstan. Answering journalists' questions at today's "round table" on the situation in the Caucasus, he reported that the upper chamber of the parliament plans to hold parliamentary hearings in connection with the situation in the Caucasus, and all the sides will be invited there. "We want to hear all points of view, to weigh them up and to find our position," he noted.

According to the speaker, the issue of mutual relations between North Ossetia and Ingushetiya is complex, it touches not just on their interests, but also the problems of settling the situation in neighboring regions, in particular in South Ossetia and Georgia. As to Chechnya, this problem is "extremely complex and delicate." According to Vladimir Shumeyko, one needs to take into consideration the fact that the Chechen Republic has been existing for two years, and it has a publicly elected president. Now, he reported, a process is being observed, when the people are looking for ways out of the situation which has been formed. Not everyone believes that Chechnya should exist outside Russia. He also reported that the republic has public movements and a Provisional Council of the Chechen Republic that aim at resolving the issue of the coexistence of Chechnya and the Russian Federation. After the treaty with Tatarstan is concluded, one should focus all efforts on resolving the issue with Chechnya, the parliamentarian stressed. Russia stands only to gain from signing a treaty with Chechnya."

Commenting on the treaty with Tatarstan, Vladimir Shumeyko noted that he "does not see a threat in it." He hopes that in March elections will be held in Tatarstan, and two deputies will join the Federation Council. The treaty with Tatarstan "is executed in strict agreement with the Russian Constitution and the Federation Treaty," he stressed. The speaker warned against the opinion that "if a treaty is being concluded with a member of the Federation, then that member is leaving the Federation." "All it means is that new relations are being formed within the Federation at a different level", he concluded.

International Affairs

Foreign Minister Visits Germany, Discusses Economy

WS2302211294 Kiev Ukrayinske Radio First Program Network in Ukrainian 2000 GMT 23 Feb 94

[Text] Today Ukrainian Foreign Minister Anatoliy Zlenko completed his visit to the Federative Republic of Germany. This morning, our delegation visited the Bundestag in Bonn and met with members of the Foreign Affairs Committee and the working group Ukraine. German legislators were briefed on the situation in Ukraine and on specific ways of developing bilateral economic cooperation. Particularly, this concerned establishing a strong legal treaty basis, granting technical assistance and loans to Ukraine, and holding a meeting between delegations on economic issues in the near future.

During his visit to Germany, Anatoliy Zlenko delivered to the German side a memorandum specifying Ukraine's proposals and urgent economic needs. During the visit to Bonn, also held was a meeting between Minister for External Economic Relations Oleh Slepichev and Health Minister Yuriy Spizhenko and representatives of business circles of the Federative Republic of Germany.

Analyst on Advantages of 'Partnership for Peace'

AU2302174594 Kiev HOLOS UKRAYINY in Ukrainian 19 Feb 94 p 10

[Commentary by political scientist Borys Vasylenko: "How To Fill In a 'Security Vacuum,' or a Step That Brings Ukraine Closer to Integration Into Europe"]

[Text] The end of the "Cold War," the end of the Warsaw Pact, and the disintegration of the Soviet Union led to the collapse of the bipolar system, which had determined the course of world events since World War II. NATO found itself in a complex situation. The adversary for whose deterrence the North Atlantic Treaty Organization had been created disappeared. NATO became confronted with the task of finding a new objective for its existence and new functions.

The dramatic development of events in former Yugoslavia highlighted the "security vacuum" problem, which had taken shape in the Central and Eastern Europe zone. The former Warsaw Pact states and the newly created Eastern European states had to deal with the task of guaranteeing security in fundamentally new conditions. Some of them—the countries of the Visegrad Group and the Baltic states—see a way out for themselves in joining NATO and the European Community [EC] as soon as possible. One of their major considerations has been the hope to achieve a rapid economic integration into the European structure and to enjoy the ensuing advantages.

In 1993, attempts by those countries to join NATO quickly met with increasing opposition on the part of Russia. The prospect of finding the North Atlantic Alliance close to the country's borders was categorically objected to. Since the early autumn of 1993, Moscow's position with regard to the prospects of Central and Eastern European countries joining NATO became more inflexible.

It was precisely under those circumstances that the United States, which plays the most influential role in determining the future of NATO, came out with the "Partnership for Peace" initiative. As a matter of fact, the "Partnership" program is a compromise between the desire on the part of Central and Eastern European countries to join the Alliance and its members' attempts to avoid a deterioration in relations with Russia, something, which, in their opinion, would be detrimental to the position of reformers in Moscow.

On 10 and 11 January, a summit held by the NATO members in Brussels adopted a framework document "Partnership for Peace." In accordance with the decisions adopted at the summit, all European countries, including nonaligned ones, were invited to participate in the "Partnership for Peace" program.

On 8 February 1994, Ukraine's Minister of Foreign Affairs Anatoliy Zlenko put his signature to the "Partnership for Peace" program. It must be pointed out that Ukraine was the first CIS country to join the "Partnership." In his speech after the signing, the head of the Ukrainian external political department stated this: "By joining the 'Partnership for Peace' program, Ukraine has confirmed its fundamental political priorities and its choice in favor of returning to Europe, from which we had been artificially alienated, and joining the family of European nations."

What possibilities will open up to Ukraine after it joins the "Partnership?"

The participation in the "Partnership for Peace" program will make it possible to achieve greater openness, will raise the degree of confidence in military-political relations, and will promote changes for the better in relations between the NATO leadership and Ukraine.

Participation in the "Partnership" will enable Ukraine to become active in various spheres of NATO activity and will facilitate the tasks of restructuring and modernizing the Armed Forces and raising them to the standards of NATO.

The program envisages cooperation in training troops and in preparing them for carrying out operations within the frameworks of the United Nations and the CSCE for the purpose of maintaining peace, participating in search operations, humanitarian tasks, and so on.

One of the principles of the "Partnership for Peace" is the treatment of every member country on an individual basis. The working plan, which Ukraine must devise, will

conform to its national interests and the possibilities of financing the necessary transformations in the Armed Forces, exercises, training, and joint maneuvers.

The "Partnership" provides for a possibility of NATO consulting active participants in the program in case of a direct threat to their territorial integrity, political independence, or security. There is no doubt that the possibility of such consultations will contribute to strengthening Ukraine's security.

The expansion and strengthening of cooperation in the sphere of security is an indispensable precondition for Ukraine's gradual integration into European structures. When Ukraine achieves the status of an associate member of the EC, this will become yet another stage on this road. Of course, this will only become possible in the case of a successful implementation of market reforms and the country's steady development toward democracy.

The European security system is an ideal that Ukraine strives to achieve.

As Zlenko emphasized in his speech following the signing of the "Partnership for Peace," Ukraine looks upon this program as a "two- way road." Adapting itself to NATO standards, Ukraine expects that, in the final analysis, "NATO must irreversibly change its essence in the process of cooperation with its partners." In the opinion of Ukraine's minister of foreign affairs, precisely this will enable NATO "to play a major role in the new architecture of European security and form its foundation." It is precisely in such a security system that Ukraine strives to find its place.

National Affairs

Kravchuk Decision Not To Seek Reelection Viewed

PM2302160394 Moscow PRAVDA in Russian 23 Feb 94 p 1

[Viktor Drozd report: "Leonid Kravchuk Is Not Afraid of Anything—But He Does Not Intend To Run for the Post of President at the 26 June Elections"]

[Text] Kiev—In an interview for Radio "Liberty" (an excerpt of which was published in the newspaper DEMOKRATYCHNA UKRAYINA today), Leonid Kravchuk made a sensational announcement: He does not intend to fight for the post of president at the elections scheduled for 26 June this year. Leonid Makarovych explained his decision as follows: Given that it looks like the elections to the Supreme Council may require a second round [s pervogo zakhoda mogut i ne sostoyatsya], the "handing over of affairs" from the old parliament to the new threatens to drag on until May, and "then all structures would have to switch straight away to the presidential elections." The situation in Ukraine by this time, in Leonid Kravchuk's view, may be severely exacerbated. So is it worth getting bogged down in the presidential elections so soon? A complex situation, Leonid Kravchuk continued, can be rationalized, but to agree to participate in the elections would mean defending "that position—economic and social—which exists today." That is, trying to prove that it is normal. And, of course, those who run for the post of president will make every effort to prove that "I failed in my duties. I would then provide them with much room for political maneuver and all kinds of accusations." In answer to a question from "Liberty" journalists on whether it is possible that he is simply afraid of domestic strife, Leonid Kravchuk replied: "I am not afraid...." He added: "In principle, the concept of fear does not concern me as an individual."

It is, indeed, possible to agree with Leonid Makarovych's final point. His decision was most probably dictated not by fear, but by calculation. The number of battles he had to withstand last year when the miners were demanding a referendum on confidence in the president are still fresh in the memory. At that time Leonid Makarovych made considerable efforts, and even agreed to early elections—provided that there was no referendum. The situation now is such that Kravchuk may not receive a vote of confidence at the upcoming elections. And does he really want to suffer "ignominious defeat"—he who only recently proudly boasted that he had been party to the collapse of the Soviet Union? Especially as one of the "Belovezhskiy old guard"—Stanislav Shushkevich—has been ousted from office by the Belarusian Parliament. Nor, as some independent politicians and mass media sources assert, is Boris Yeltsin's position particularly firm. Here again, Leonid Makarovych has obviously weighed things up: It is better to jump from that runaway train by the name of "Ukraine" of one's own volition, than to fail at the presidential elections.

However, it is for Leonid Kravchuk to decide his own fate. It is only a pity that after such ardent words about respect for the people of Ukraine, the sovereignty of the people, and love for Ukraine, that the people themselves and Ukraine should have to learn of the president's decision from Radio "Liberty"....

Press Offices on Kravchuk Position on Elections

LD2302231894 Moscow INTERFAX in English 2218 GMT 23 Feb 94

[Text] The Ukrainian presidential and government press office issued a statement explaining Ukrainian President Leonid Kravchuk's position with respect to the coming presidential elections in Ukraine.

According to the statement, President Kravchuk told a meeting with newsmen initiated by "Radio Liberty" and "Der Spiegel" about the situation in the country and said he considered his participation in the early presidential elections scheduled for June 26 1994 inexpedient.

Taking into account that the president's opinion has been widely commented on by both Ukrainian and

foreign mass media, the press office points out that "this position of Kravchuk is caused by the specific situation in society and the state system today and prognoses of its short-term development."

The press office said the president motivated his decision by the fact that the period remaining until the elections is very short. "It cannot be ruled out that the process of electing and forming the supreme power bodies, both executive and legislative, may exceed the time limits set and overlap with the early presidential and local elections," the statement stipulates.

"This may lead to vacuum of power, when the Supreme Soviet is already no more, while a new one has not been created, a cabinet of ministers which could assume entire executive power has not yet been formed," according to the statement.

Under such circumstances, only the president can effectively exercise his powers. However, if he allows the elections at the moment, executive structures may break up and the control of the country lost, the statement stipulated.

"This is the president's main argument," the press office said.

Zvyahilskyy Addresses Supreme Council

LD2302221994 Kiev Radio Ukraine World Service in Ukrainian 0805 GMT 23 Feb 94

[Address by Ukrainian Acting Prime Minister Yukhym Zvyahilskyy to a Supreme Council session on the economic and social situation in Ukraine—live]

[Excerpts] Esteemed Ivan Stepanovych Plyushch, esteemed people's deputies! Let me inform you in accordance with yesterday's Supreme Council instruction about the course of implementing two resolutions, of 17th and 23rd December 1993. [passage omitted] Primarily, on the recurrent issue of index-linking the population's deposits in savings banks and insurance contributions to the former GosStrakh [State Insurance] institutions, as well as settling the debt in respect of the former Soviet Union's securities. We realize the urgency and acuteness of this issue in view of the lack of nonemissive sources to cover compensatory payments.

As a result of more in-depth work on the proposals put forward by people's deputies, citizens, and scientific establishments, the government has set up an interdepartmental working group of representatives of the Finance Ministry, Economy Ministry, Justice Ministry, Statistics Ministry, State Property Fund, National Bank, and the insurance company Harantor, headed by Deputy Prime Minister Mykola Zhulynskyy. Specific proposals will be made ready by 2 March of this year. The commission has begun working. [passage omitted]

The next issue is that of the possibility of providing the population with the minimum selection of food products at fixed prices. Analysis shows fixing prices under the present conditions requires huge subsidizing funds to be set up to the amount of tens of trillions [as heard] karbovantsi. You all very well know our budgetary capabilities in this respect. Apart from that, to perform the functions of supervision and distribution centrally, the recreation of the former system of (?monitoring) and (?funding) will be required, i.e. virtually the recreation of the system of short supply. [passage omitted]

Another issue that has lately caused passions to flare is currency regulation. The government's position on this question is univocal: We are for the regulation of [currency exchange] rates, which has to take account of the state of the economy in real terms and, accordingly, the relationship between prices for the main types of products of both ours and those of our principal trade partners, as well as the state of the balance of payments in relations with them.

Together with the National Bank, we are constantly at work to improve the mechanism of currency regulation. That said, however, I would once again like to confirm the government's tough stance in that we will not agree to (?increasingly obtrusive) proposals effectively to restore the currency exchange activity. This in practice would legalize the speculative rate of the dollar, which would inevitably lead to prices rising steeply and the state of the economy destabilizing further.

I cannot comprehend the position of the Ukrainian Union of Industrialists and Entrepreneurs on this issue. Does it really reflect the interests of enterprises and labor collectives? Despite the fact that a lot has been done to implement the Supreme Council December resolutions, the state of the economy remains extremely complex, but at the same time, there is nothing new in it. We have come to it together, the Supreme Council, the government, dependent and independent trade unions, local presidential representatives, and managers of enterprises.

One thing I would like to ask you to do, however, is this: Let us finally stop looking for those to blame for the present state of affairs but honestly say that we are all to blame and that the economy has been taken hostage by our policies.

What should be done in this situation and how and where should a way out be found? The simplest thing is to take the position of wrathful denunciation, endlessly dramatize the situation, and undermine the remainder of the people's belief that the state of affairs can be rectified. There is, however, another approach, which is doing the heavy work, without gratitude, in search of ways to overcome the crisis and (?making an effort) to increase the creative potential despite all the problems and difficulties. [passage omitted]

So have we got any real opportunities to stabilize the situation? Firstly, we have to overcome the acute payments crisis in the national economy. It primarily reflects the state of the economy. Ineffective, high energy

and resource consumption structural production, and serious drawbacks in the work of the banking system, as well as unstoppable cost and price rises, have aggravated the financial situation at enterprises, which under the inflation conditions has caused a catastrophic shortage of their working capital, the cessation of mutual settlements, lack of funds to pay wages, and a sharp fall in budget contributions.

There are, however, other things that caused the payments crisis. They have to do with the absence of elementary control by local authorities and banks over the timeliness and completeness of settlements. [passage omitted]

To solve the payment crisis, the government and the National Bank have found a compromise that makes it possible to begin to disentangle the nonpayment knot that was tied, insure the liquidity of commercial banks, and cause the actual movement of ready products to consumers, which would create conditions for the wages of enterprises's employees to be paid and payments to the budget insured.

The issue concerning the allocation of 1.5 trillion [figure as heard] karbovantsi to pay the pensions has been settled, 700 billion to the wages of budgetary sectors' employees, grants, and benefits. Finances have also been provided for expenditure on the Chernobyl program, the Defense, Internal Affairs, and other ministries.

One has to bear it mind, however, that financial resources are not unlimited. To improve the health of the financial situation by unsecured financial injections is impossible. This is a path to inflation rocketing higher, prices rising, and production degrading even further. This is why I would like to say frankly, mainly to state enterprises managers, that we have approached the boundary, beyond which ineffective high resource consumption production facilities have to undergo the clearance of their funds [sanatsiya], specialize in another field, or close down. The government, of course, will for some time support and guarantee the social security of the collectives employed at these facilities. Everybody has to realize, however, that the only way for enterprises to earn profit, wages, and funds is by selling their products.

Second, the work of the agroindustrial complex and preparation for spring field work. I would like to note that last year's debts of the state [to the farmers] for the grain, sunflower, and sugar beet supplied, have been completely settled. At the same time, due to the payments crisis and insufficient sales of meat and diary products, there has formed a debt to producers from trade and processing enterprises to the amount of 1.5 trillion karbovantsi. This, in its turn, has caused a debt in terms of wages at collective agricultural enterprises to the amount of 1.3 trillion karbovantsi. Alongside of resolving the problem of nonpayments in the national economy, the issue of sale has to be settled.

Apart from that, 1 trillion karbovantsi worth of credits have been allocated to subsidized industrial centers and consumer cooperative organizations to purchase food and industry products. Within the framework of a government credit, 2 trillion karbovantsi have been allocated mainly to purchasing petrol, oil and lubricants, fertilizers, spare parts, and other resources with the aim of financially backing the agroindustrial complex. Under the state contract the countryside will again receive around 2 trillion karbovantsi in March. [passage omitted]

An additional 2 million tonnes of white petroleum products has been bought, with 400,000 tonnes having already been received by now and sent to farms. It will have been 500,000 tonnes by the end of the month. Fuel prices have been fixed, with farms being supplied with it on average at a price of 4 million karbovantsi per tonne and the strictest control over its storage and use established.

Virtually all sowers, cultivators, and harrows have been made ready and the readiness of tractors is higher than last year, at over 80 percent. To purchase spare parts, 14.5 billion rubles and over 5.5 million German marks have been allocated. MinMashProm [Machine-Building Industry Ministry] has determined the volume of additional production to manufacture 1,600 articles of spare parts previously imported.

Farms have been fully provided with seeds of grain, sugar beet, sunflower, potatoes, and most varieties of vegetables. To provide mineral fertilizers, MinSelHosProd [Agriculture and Food Industry Ministry] has been granted a government credit of over 400 billion karbovantsi. [passage omitted]

Third, concerning the work of the fuel and energy complex: Last year an additional 3.6 million tonnes of coal were supplied by power industry workers than was envisaged by the plan. As regards the coke-oven industry, the plan was achieved. In order to stabilize the work of coal enterprises, measures were taken to increase supplies of timber, rubber belting strips, ropes, personal protection equipment, and other resources. Contracts have been signed for the delivery of 80 billion cubic meters of gas from Russia and Turkmenistan in 1994. Work is also underway on concluding agreements for the supply of oil and oil products. A new clearing system for gas has been introduced for enterprises of the Ministry of Industry and Ministry of Machine-building. It envisages that their enterprises will pay independently for gas supplied to them. A resolution has been adopted on state regulation in order to restrict the increase in prices for oil products. The government has practically established daily control over the work of thermal and nuclear power stations. This has enabled the work of Ukraine's energy system to be preserved and has prevented its collapse, thus avoiding catastrophic consequences in the country's economy. [passage omitted]

With the aim of stabilizing the work of sectors in the fuel and energy complex, we are preparing a range of measures to provide assistance particularly to those sectors. The building of new capacities for the production of electricity is being sought. The allocation of hard currency resources to purchase the necessary materials and equipment is envisaged. [passage omitted]

Fourth, trading relations with CIS and Baltic countries have a special place in our economic policy. These are the traditional markets for products manufactured by Ukrainian enterprises. As of today, intergovernmental agreements on trade and economic cooperation have been signed with all the former USSR states, apart from Uzbekistan and Tajikistan. A list of the most important products and goods that are subject to mutual deliveries has been drawn up. With the aim of overcoming the crisis in mutual clearances, appropriate work is being carried out between the National Bank of Ukraine and the Central Banks of the former USSR republics. As of 1994 there are agreements on mutual clearances with the majority of these countries and work is continuing with banks of Azerbaijan, Belarus, Lithuania, and Moldova. Work is continuing on developing bilateral relations with CIS countries and in other areas where there is mutual interest. Thus, principles of cooperation have been determined with Kazakhstan in the area of heavy industry, with Uzbekistan in the area of elaborating innovations and scientifically intensive production processes, and the processing and exploitation of rare and precious metals, with Belarus on eliminating double taxation, and with three other states on the mutual protection of investments.

As before, we are paying particular attention and will continue to do so on the development of relations with the Russian Federation which is our main trading partner. Its share in Ukraine's foreign trade turnover is more than 72 percent. I recently returned from Moscow and would like to inform the Supreme Council of the complete mutual understanding reached during the talks between Russian Prime Minister Viktor Chernomyrdin, First Deputy Prime Minister Soskovets, Fuel and Energy Minister Shafranik, and other members of the Russian Federation's Government. Apart from us Russia, is also actively in favor of developing bilateral cooperation. We have found mutually beneficial possibilities for paying off our debts for energy resources. We agreed on a pricing mechanism for oil and oil products depending on its quality and delivery conditions.

With the aim of developing mutually advantageous and long-term cooperation regarding exports of Russian natural gas to Ukraine and its transit through our territory, a draft intergovernmental agreement for the years 1994/2005 has been prepared. [passage omitted]

By way of conclusion I would like to say that the government is aware of the acuteness and the difficult situation in the country's economy. There are no illusions with regard to the simplicity of the issue and understanding the painfulness of those decisions that have to be taken on the path of overcoming the crisis. In carrying out the duties of acting prime minister and the government, we can see ways of stabilizing the situation and are doing everything possible in order to achieve this. Thank you for your attention.

Parliament Ratifies Consular Convention With Russia

LD2302225194 Kiev UNIAN in Ukrainian 1650 GMT 23 Feb 94

[Text] Kiev—The Supreme Council of Ukraine recently ratified the Consular Convention between Ukraine and the Russian Federation that was signed on 15 January 1993 during President of Ukraine Leonid Kravchuk's visit to Moscow, said Natalya Zarudna, the head of department of the Information Directorate at Ukraine's Foreign Affairs Ministry, at a briefing on 22 February. The Russian Federal Assembly has not ratified the document yet.

The consular convention is based on the principles of the Vienna Convention on Consular Relations of 24 April 1963. It is a bilateral agreement that supplements the principles of this multilateral international legal act. The convention determines the procedure for the establishment of consular offices and appointment of consular officials; consular functions, benefits for consular officials and their rights and duties as to the protection of their citizens' interests.

According to Natalya Zarudna, the ratification of the convention will promote the establishment and development of Ukrainian-Russian consular relations, as well as the protection of rights and interests of Ukrainian and Russian citizens. Ukraine has already signed such conventions with China, Romania, Hungary, Poland, and Kazakhstan.

Parliament Not To Discuss Nuclear Treaty Without Guarantees

LD2302151594 Moscow ITAR-TASS in English 1420 GMT 23 Feb 94

[By ITAR-TASS correspondent Galina Nekrasova]

[Text] Lvov February 23 TASS—The Ukrainian parliament will not discuss the issue of joining the Nuclear Non-Proliferation Treaty until it receives concrete security guarantees, according to a local newspaper which quoted the opinion of "leading circles of the supreme legislature".

"It remains to guess what comes first—the security guarantees or the technical aging of missiles liable for elimination", the "RESPUBLIKA" newspaper asked on Wednesday.

The decision of the parliament to postpone the discussion of the issue was confirmed by the Ukrainian president. However, he did not explain the reasons for the delay, the daily stressed.

Crimean President Refuses Premier Post in Government

LD2302211994 Kiev UNIAR in Ukrainian 1545 GMT 23 Feb 94

[Text] Simferopol, 23 Feb— The press service of the president of Crimea circulated a statement saying that the fact that Chairman of Crimea's Council of Ministers Borys Samsonov, who is currently running for the Supreme Council of Ukraine, went on holiday without the consent of his superiors was an act of sabotage. In this connection, the staff of the president of Crimea and President Meshkov himself have no offers to Mr. Samsonov regarding his position in the new Crimean government.

Cabinet Holds Meeting With Crimean Officials

AU2402113094 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 22 Feb 94 p 3

[UKRINFORM report: "A Meeting Between Members of the Ukrainian and Crimean Governments"]

[Text] Under the chairmanship of Ukraine's acting prime minister, Yukhym Zvyahilskyy, Ukraine's Cabinet of Ministers held a meeting to discuss the fulfillment of the Ukrainian president's commissions on the results of his talks with the president of the Crimean Republic. Those present included Ukraine's vice premiers Vasyl Yevtukhov, Valentyn Landyk, secretary of the Ukrainian presidential administration Mykola Khomenko, and other members of the government. The working group of the Crimean government was headed at the meeting by acting chairman of the Crimean Republic's Council of Ministers Anatoliy Franchuk. The participants in the conference considered and discussed a whole series of questions, including problems associated with the implementation of the agreement on budget relationships between the government of Ukraine and the government of the Crimean Republic; on the allocation of 110 billion karbovantsi to clear the debt in financing the program for stabilizing the Crimean economy and in financing measures associated with the return of Crimean Tatars, Germans, and other deported peoples; on the division of state property among Ukraine and the Crimean Republic; on the determination of sources for covering the expenditure in hard currency of enterprises situated on the territory of the Crimean Republic; on questions of canceling restrictions for Ukrainian citizens' entering the city of Sevastopol; and on measures for stabilizing the functioning of a number of branches of the Crimean Republic's economic complex.

Crimea's Meshkov Meets With Businessmen

944K0735A Simferopol KRYMSKAYA GAZETA in Russian 22 Feb 94 p 1

[Article by Yelena Gornaya: "Entrepreneurs Suggest That the President 'Shower' Russia With Flowers"]

[Text] At the end of last work week, on Friday, there was a meeting between Yu. Meshkov and representatives of the Union of Entrepreneurs of Crimea [SPK]. Crimean business is actively establishing closer ties with the new authorities. Actually, they looked pretty good sitting at the same table during this meeting—the president of the Republic of Crimea, Yu. Meshkov, and the president of the Union of Entrepreneurs, A. Dudko, a gifted economist and the same kind of "generator of ideas."

From the first minutes of the meeting a completely friendly atmosphere was established (to be sure, after a time of tense anticipation: The president was detained), and then it was reinforced by assurances of mutual support.

A. Dudko gave a short briefing to the president of the Union of Entrepreneurs, which unites 14 regional divisions and more than 2,000 enterprises with hundreds of thousands of workers and, together with the leasing collectives, it is larger than the state sector. In addition to enterprises, the SPK includes banks and funds (including the recently created imeni E. Memetov insurance fund for fighting terrorism), and social organizations, and the Crimean Institute of Economics and Business Law, which it founded. The union maintains close business contacts with a number of far- abroad countries, particularly the Bavarian Academy of Management, where Sergey Shuriga and Aleksandr Dudko defended their doctoral dissertations. At the present time, the SPK is faced with the task of reorganizing itself to meet European standards in order to gain the opportunity to conclude tariff agreements with unions of employers of Europe.

Regarding the current economic situation, A. Dudko noted that the entrepreneurs were especially alarmed by Ukraine's forthcoming monetary emission of 30 trillion, which can be advantageous only to the military-industrial complex of the continental part of the state and could bring complete ruin to Crimea. It will be pointless to do planting in the spring, because the production cost of agricultural products will rise so high that it will be much less expensive to deliver them from abroad. As immediate measures the entrepreneurs asked the president to issue edicts that would make it possible to stabilize the financial situation in our republic to a certain degree.

SPK members who spoke at the meeting-conference expressed ideas and proposals aimed at economic improvement of Crimea. Naturally, the first thing all of them mentioned was the urgent task of reforming the tax system. They also spoke of the need for all- around support for small and medium-sized business in the situation of practically complete collapse of industry that has developed. The entrepreneurs are prepared to suggest to the president the corresponding programs and a package of normative documents.

They also discussed concrete assistance to our republic, which can be provided because of personal contacts with

entrepreneurs in Russia. In particular, P. Sukholeyster, a member of the council of the League of Entrepreneurs and Cooperators of Russia, reported that there is an agreement with the Republic of Komi for the delivery of 250,000 cubic meters of timber to Crimea.

An original idea was expressed by Professor N.M. Pavlenko, first vice president of the International Intergovernmental Organization of Grapes and Wine. As he sees it, flower growing could be a real Klondike for Crimea. Half of Holland's economic prosperity is based on this branch. And what do they have that Crimea does not? A warm climate, a good scientific base—the Botanical Garden—and a large airport. President Yu. Meshkov liked the idea and, incidentally, he reported that there is a preliminary agreement on the creation of the Crimea-Russia airline company, which has been backed up by the delivery of aircraft fuel. Briefly, there will be technical possibilities of showering Russia with tulips, carnations, and Crimean roses.

Those in attendance were very excited over the presence of the chairman of the republic Unity trade union, Ya. Reznikov. This time he not only spoke about his pet idea of tripartism, but also mentioned that there is a unique plan of "crazy fans from Alushta" to hold the Olympic Games in Crimea. Delirium? But no Winter Olympics has ever been held with a view of the sea. It is also possible to show off with the hypothesis that the legendary Atlantis is not far from Crimea. But to consider practical things, hosting the Olympics could bring Crimea the kind of investments that would make it a center of international tourism and a flourishing health resort for all time. Of course, one is almost automatically reminded of New Vasyuki.... But sometimes absolutely improbable things happen in real life. And indeed, why not? If there were the desire and enthusiasm. At least this idea seemed to evoke enthusiasm from the president, and he has proved to us through action that the person capable of original thinking will win.

Yu. Meshkov expressed his readiness to consider attentively the prospects for entrepreneurial activity proposed by the SPK and their vision of changes in the areas of economics, law, and state structures. He emphasized that the Bavarian contacts of the Union of Entrepreneurs and the proposed rate agreements were especially valuable to the republic.

The president also stated that strict steps would be taken to subdue mafia structures, which are not halting their activity. Honest entrepreneurs have a right to count on reliable protection from the state.

Parties Pledge Cooperation With Meshkov

944K0735B Simferopol KRMYSKAYA PRAVDA in Russian 22 Feb 94 p 1

[Article by L. Ryabchikov: "Parties Prepared To Help President"]

[Text] President Yuriy Meshkov dedicated last Saturday to talks with leaders of officially registered parties. During the course of the discussions, they clarified their positions and their attitudes toward the president's program for transformations in the republic, and they explained what help they needed. The leaders of the parties, including the PEVK [expansion unknown] and Ukrainian parties, declared their readiness to contribute to the implementation of the economic reforms.

"The meeting took place in a constructive setting," said the deputy chairman of the Agrarian Party, Mikhail Frolov. "We are in favor of social justice for the peasantry and granting them the benefits necessary for the advancement of agriculture. The president's views coincide with ours here."

"We came to the meeting with a package of proposals," said the chairman of the Party of Social Guarantees, Yefim Fiks, "and in turn we received a proposal from the president to prepare draft edicts for them."

Participants in the meeting spoke of the need to adopt a joint statement of all political forces of the republic in support of the president's actions.

Commenting on the results of the talks, the president's adviser for communications with parties and public organizations, Sergey Nikulin, noted that Yuriy Meshkov asked the participants in the meetings to prepare proposals for candidates for vacancies in all structures of state power. The consolidation, Nikulin thinks, will make it possible to create a powerful bloc supporting the president's policy in the new parliament. This will be a parliament of a new quality, he emphasized.

Belarus

Kebich, Chernomyrdin Illnesses Delay Monetary Unification

LD2302204494 Moscow INTERFAX in English 1721 GMT 23 Feb 94

[Text] The press secretary of the Belarusian premier Vladimir Zametalin told Interfax that the visit of the Prime minister Vyachelsav Kebich to Moscow scheduled for February 23 for the signing of documents on the unification of the monetary systems of Russia and Belarus "is delayed due to the illnesses of both leaders". According to Zametalin, still the documents can be signed by the end of this week.

At the same time, in an interview with an Interfax correspondent the chairman of the Belarusian National Bank Stanislav Bogdankevich stated that "the documents on the unification of the monetary systems of Belarus and Russia are yet not ready for the signing".

According to the Belarusian National Bank chairman, yesterday in the evening he spoke by telephone with Belarusian experts of the intergovernment expert team which is now preparing the documents on the monetary unification in Moscow. Experts of the Belarusian National Bank, Bogdankevich said, "reported that many agreements needs elaboration".

At the same time, he did not rule out the possibility that experts of Belarus and Russia would finalize work on the texts of the documents on Wednesday.

Democratic Forces Unite for Presidential Elections

WS2302143594 Minsk RID in Russian 1205 GMT 23 Feb 94

[Report by Aleksandr Kazak: "Democratic Forces Are Uniting in Order To Win"]

[Text] Democratic and patriotic forces of the Republic of Belarus held a consultative conference on 21 February. The conference discussed the possibilities for uniting all democratic forces in the Republic and coordinating their activities with regard to the upcoming presidential elections.

The representatives of parties which participated in the conference almost unanimously spoke in favor of dismissing the government and holding early elections, as well as for the need to unify democratic forces of Belarus.

According to the Belarusian Social Democratic Assembly, if the united democratic forces can put forward one common candidate for the post of president, they will have a far better chance of winning in a coalition than if they campaign one by one or compete with each other.

The proposal was made to create a staff for supporting the common candidate, as well as to begin raising funds for the election campaign since, according to parties participating in the conference, all information media are almost entirely under government control. This opinion was also shared by Stanislav Shushkevich, who participated in the conference. The former Supreme Soviet chairman appealed to democratic forces to find a joint position with regard to three issues—statehood, democracy, and commitment to market reforms. The specific date of the future elections—1 May 1994—was also mentioned at the conference.

The participants in the consultative conference agreed to meet in two weeks to discuss the principles of the alliance in a narrow circle.

Deputy Supports Strikers, Urges Disbanding Legislature

WS2302170394 Minsk NARODNAYA GAZETA in Russian 22 Feb 94 p 1

[Interview with People's Deputy Gyanadz Karpenka, by Alyaksey Syarhiyevskiy; place and date not given: "No More Confrontation!"]

[Text] [Syarhiyevskiy] The continuation of the session amounts to the continuation of the political strike. What is your attitude toward it?

[Karpenka] The decision to initiate a strike belongs to the workers and strike committees. If they believe that this can change the government's policy and improve the lives of their families, they are free to choose any form of fighting for their rights that does not contradict the constitution. There is hardly anybody today who believes that working people have no cause to worry about their current and especially their future situation. Prices are growing; social guarantees equal zero; pensioners are poverty stricken; the economy is on the verge of collapse. Once we presume that this is a normal state of things, then of course strikes are groundless. In my opinion, it is very bad that some political activists and officials who have been paying lip-service to protecting people's rights, reacted very negatively to workers' actions and resorted to indecent and rough attacks against those who, unlike these officials, are living through hard times. At the same time, I feel sorry that people from various political parties have been trying to win control over just and rightful action launched by the workers, and "reap profits" for their own needs. With regard to the eventual scenario of the strike, I believe that if the economic decline is accompanied by officials' passiveness, as has been done thus far, the number of those dissatisfied will continue to grow.

[Syarhiyevskiy] Today, the Belarusian leaders do not conceal that they believe a union with Russia is the only possible way to overcome the crisis. What is your opinion?

[Karpenka] Three and even two years ago we could have chosen alternate ways of building an independent economy. However, the Supreme Soviet overtly ignored economic problems and this, along with a certain inactivity on the part of the government, has led to stagnation and then, a crisis that may become a catastrophe. The issue is very complex and that is why I would like to be brief. We will not be able to do without a close economic union with Russia. Here are two examples from my work as chairman of the Molodechno City Council. By means of direct "negotiations" with Russian entrepreneurs, we received fuel and the city was able to live through the winter. It is quite warm in houses, schools, and hospitals. Now, we are thinking about the future and again, Russians are our only hope, because we are holding talks on purchasing flour from the farmers of Kuban. By projecting the problems of Molodechno on the entire state, we come to the conclusion that Belarus is closely intertwined with Russia. However, while signing any agreements and joining any unions, we should first of all think about the nation and not ourselves, and remember that our state is the only place that we have and that was given to us by God. Our grandchildren will not forgive us if we give up independence and sovereignty. Meanwhile, we see that certain political groups in both Belarus and Russia, including some Duma deputies, want this to happen.

[Syarhiyevskiy] What does the session have in store for us?

[Karpenka] I believe that it will put an end to senseless confrontation that has undermined the electorate's trust in the deputies' corps. We should honestly analyze the results of our work, adopt a constitution, and dissolve the legislature.

Border With Russia Deemed To Be 'Quite Different'

WS2302173794 Minsk VO SLAVU RODINY in Russian 19 Feb 94 p 1

[Report by V. Kuts: "From Mutual Rights to Mutual Obligations"]

[Text] A draft agreement on border issues, which was discussed by the heads of Russian and Belarusian border departments [as published] in Minsk in mid-February, can become a basic document for further regulations of relations between both countries, including the issues concerning the external CIS borders.

If the internal CIS borders are to block a free transfer of goods and services, then the economic union proclaimed by CIS state heads will be devoid of all sense. With regard to this, the need for safe protection of the CIS external borders emerges, thus providing relations between both countries with a greater mutual responsibility. Now, while protecting the borders with the non-CIS countries, Belarus will protect not only its national interests, but also Russian ones. The Russian Federation will commit itself to analogous obligations. The question regards a quite different type of relations between the two states. These relations, as is assumed, will evolve from a system of mutual rights to a system of mutual obligations, which will help to save significant material means.

Moldova

Snegur Views Ties With Romania, Ilascu Case

AU2202171294 Bucharest Radio Romania Network in Romanian 1400 GMT 22 Feb 94

[Text] Moldovan President Mircea Snegur received Eugen Preda, general director of the Romanian radio station, at his Chisinau residence today and gave an exclusive interview.

President Mircea Snegur said, among other things, that at the recent congress entitled Our Home, the Republic of Moldova, he mentioned, as he had done before, the same historical events and the need to preserve our brotherly ties, and, as he specified, to stick to our kin.

At the same congress, he emphasized that the policy promoted by the Republic of Moldova is consistent in all areas and is linked to reality and the nation's desire to consolidate its statehood and to develop as an independent state.

Speaking about the same policy, Snegur mentioned that the directions of economic and cultural integration between Moldova and Romania remain the same.

In connection with the Ilascu case, the Moldovan president said that he prefers to act rather than talk and that his intentions remain the same, namely to have these political detainees transferred to the constitutional legal bodies of the Republic of Moldova.

In connection with the meeting of the interministerial commission, recently held in Bucharest, Snegur affirmed that it has opened up very positive prospects for mutual economic cooperation. It is necessary to speed up and activate tangible relations between economic units; the meeting was assessed as encouraging for the future.

Snegur Issues Election Decree; Poll Shows Preferences

AU2302215294 Bucharest Radio Romania Network in Romanian 1800 GMT 23 Feb 94

[Mircea Dascaliuc report from Chisinau]

[Text] Today, the president of the Republic of Moldova, Mr. Mircea Snegur, signed a decree in connection with the creation of conditions for the participation of the residents on the left bank of the Dniester River and from the city of Tighina [Bendery] in the sociological poll Consulting the People.

According to the Presidency Press Service, the decree establishes for the citizens on the left bank of the

Dniester and the city of Tighina the way this poll will be conducted [as published] from 27 February to 6 March inclusively. The decree establishes that the application of the present decree belongs to the competence of the republic's commission for carrying out this poll.

Also today, observer missions arrived in Chisinau on behalf of the parliamentary assemblies of the Council of Europe, the North Atlantic Alliance, and the CSCE, the national radio broadcasting station of the Republic of Moldova reported. It also specified that these missions are made up of parliamentarians from 15 European and North American countries, and of dignitaries from various international forums. Their activity will begin tomorrow, 24 February.

To ensure that the poll at the end of the current month is taking place under proper conditions and in accordance with the Electoral Law provisions, an increased number of policemen and troops of the Ministry of Interior of the Republic of Moldova took the polling stations under their wing beginning today.

As the security chief in the Ministry of Interior stated, the tasks of these troops for the duration of the elections are to ensure public order, guard institutions, ensure the security of polling stations and of the documents in voting stations, as well as accompany official figures.

Also today, the results of an opinion poll were published, which was organized by the Bessarabia Foundation, the Academy of Science of the Republic of Moldova, and the Current Events program of the Chisinau radio station.

This poll was held from 16-21 February 1994 and was carried out on 1,135 representative people who answered two questions:

1. Will you participate in the elections? Yes. No.

2. For whom will you vote?

The results indicate an estimated participation of 79.5 percent.

Regarding political formations, the following options were recorded, expressed in percentages:
—The Christian Democratic Popular Front Alliance 12.3 percent;
—The Democratic Party 5.4 percent;
—The Socialist Bloc and the (?Edinstvo) Unity Movement 17.1 percent;
—The Bloc of Peasants and Intellectuals 9.3 percent;
—The National Christian Party 1.9 percent;
—The Republican Party 3.4 percent;
—The Reform Party 2.9 percent;
—The Social-Democratic Party 7.2 percent;
—The Ecological Party-Green Alliance 1.7 percent
—The Agrarian Democratic Party of Moldova 18.6 percent;
—The Democratic Party of Labor 8 percent; and
—The Alliance of Victims of the Communist Totalitarian Regime 3.7 percent.

Kazakhstan

Nazarbayev on Results of U.S., French Visits

PM2302164594 Moscow IZVESTIYA in Russian 23 Feb 94 First Edition p 3

[Vladimir Ardayev report: "Nursultan Nazarbayev: 'It Takes Two To Tango'"]

[Text] Almaty—After returning from the United States and France, the president of Kazakhstan communicated not only the results of these two visits but also his views on relations with Russia at a news conference Monday.

N. Nazarbayev's talks with B. Clinton—at first one on one, then with the delegations—lasted a total of three hours. In the estimation of the president of Kazakhstan, considering that this was his first meeting with the head of the present White House administration, the hopes that were being pinned on it fully justified themselves. The central place was occupied by a discussion of the problems of bilateral relations between Kazakhstan and the United States, of the situation in the CIS countries and in the Central Asian region, of politics in the world's "hot spots," and of questions of security.

The chief document signed as a result was the "Charter of Democratic Partnership Between the Republic of Kazakhstan and the United States of America," embracing questions of politics, economics, defense, science, technology, ecology, and others. According to Nazarbayev, it contains guarantees of security accorded to Kazakhstan by the United States and also stipulates the conditions of multilateral cooperation within the NATO "Partnership for Peace" program—which in itself, he elaborated, certainly does not constitute Kazakhstan's joining the North Atlantic bloc.

Nazarbayev also reported that the U.S. President announced a significant increase in the size of financial aid for Kazakhstan—to $311 million.

The stopover made in Paris at the request of French President Francois Mitterrand developed into a discussion of the progress in implementing the French-Kazakhstani accords reached earlier. One of the new accords consists in the fact that a renowned top Parisian school of management will welcome a large group of students from Kazakhstan.

"There have always been and will be Russian interests in Kazakhstan, just as there are Kazakhstani interests in Russia," Nursultan Nazarbayev said in reply to a question from REUTERS about consideration for these interests in the process of developing contacts with the United States. "Therefore we do not draw up a single large or small-scale international program without inviting the Russian side to participate in it."

The journalists participating in the news conference showed a lively interest in the facts cited in IZVESTIYA correspondents' reports (IZVESTIYA Nos. 29 and 32) concerning the Kazakhstani president's position during his U.S. visit—a position "emphatically independent of Moscow's policy." Nazarbayev deemed it necessary to make his elucidations on this score after asking your correspondent to reproduce in the newspaper everything he said with the utmost accuracy.

The state of affairs in Russia is of interest to everyone, Nazarbayev said. Cadre reshuffles in the Russian Government are also of concern to the U.S. Administration—what changes of political course might they lead to? I have always replied to these questions as follows: It is necessary to gamble not on names but on the process of democratization and economic reforms taking place in Russia. I do not consider V. Chernomyrdin's present government to be conservative—first, because I know Chernomyrdin himself well; second, both Chubays and Shokhin remain in the government, while Gaydar and others can continue to exert effective influence and give assistance by working in parliament. Nobody will succeed in reversing the processes that have already been accomplished in Russia. It is essential to assist them, these processes—I always emphasized this in America, Nazarbayev said.

With regard to the allegation that "Kazakhstan sold Baykonur without taking Russia's interests into account," Nazarbayev reported that only a treaty on the protection of "know-how," providing for the nonproliferation to third countries of space technologies provided by the United States, was signed during his U.S. visit. It was signed by the leaders of three aerospace departments—U.S., Kazakhstani, and Russian—and Mr. Koptev, the head of the latter, accompanied Nazarbayev on his trip.

Nor was the Semipalatinsk range "sold," Nazarbayev asseverated—there was talk exclusively of U.S. technical assistance in conducting the necessary scientific research there into the consequences of nuclear tests and of giving assistance in rehabilitating the territory and the population affected by them.

With regard to the strategic missiles which are to be dismantled Nazarbayev confirmed that Kazakhstan is reckoning only on compensation for the value of the highly enriched uranium which constitutes the main "filling" of nuclear warheads.

According to the president of Kazakhstan, there was no need for Bill Clinton to convince his guest of the need to construct an oil pipeline from Tengiz to Novorossiysk, its construction is already close to completion, and Russia is one of the full participants in the construction. The planned capacity of the Novorossiysk oil pipeline, however, is just 17 million tonnes of oil a year, whereas, according to estimates, Kazakhstan intends to export 50-60 million tonnes from the North Caspian regions. If we look into the 21st century, Nazarbayev said, of course we cannot manage with this oil pipeline alone, and it is becoming simply essential to construct a large-capacity

oil pipeline to the south, across Turkey and Iran, with an outlet not just to the Black Sea but also to the Persian Gulf.

Nazarbayev particularly emphasized that no documents directed against any third countries were examined or signed during his visit—they all concerned exclusively bilateral relations between Kazakhstan and the United States. He also asseverated that neither Kazakhstan's enforced departure from the ruble zone nor any other circumstances had made him betray the principles of integration among the former components of the USSR which he has upheld throughout recent years: "Nazarbayev has not changed and will not change. At least not in this life. Whatever the press might say, Russia remains our top-priority, chief partner." Just a little later he made a proviso: "True, it does take two to tango. For proper cooperation willingness on the part of the partner is also necessary."

No Leasing Baykonur Until Troop Status Solved

LD2302210894 Moscow INTERFAX in English 1721 GMT 23 Feb 94

[Text] There can be no leasing agreement on the Baykonur cosmodrome with Russia unless the status of Russian troops servicing the facility has been resolved, Deputy General Director of Kazakhstan's Aerospace Agency Aisultan Kalybayev told Interfax on Wednesday.

He quoted Kazakh President Nursultan Nazarbayev as saying there can be no question of "military bases" on the country's soil.

Talks Held on Greater Involvement in CSCE

LD2302100794 Moscow ITAR-TASS in English 0901 GMT 23 Feb 94

[By KAZTAG correspondent Ivan Zakharchenko for TASS]

[Text] Almaty February 23 TASS—Kazakhstan is striving to get involved heavier in the Conference on Security and Cooperation in Europe (CSCE). This will be promoted by the opening of Kazakhstan's diplomatic missions in more European countries.

This was mentioned during a meeting on Tuesday between Kazakhstan Vice-President Eric Asanbayev [name and title as received] and CSCE Secretary-General Wilhelm Hoeynck who arrived in Almaty for a working visit. The sides agreed that more effort should be exerted to put a stop to conflicts in Central Asia, specifically in Tajikistan.

On the same day Wilhelm Hoeynck met with Kazakh Foreign Minister Tuleutay Suleymenov. It was noted during the conversation that following a meeting in Rome of foreign ministers of CSCE participating countries, new sovereign states in Central Asia, also Kazakhstan, strengthen their relations with that international organisation and are involved in joint work with CSCE.

In the Friendship House in the evening, Wilhelm Hoeynck met with representatives of non-governmental and public organisations and the media and answered their questions.

The CSCE secretary-general leaves for Bishkek on Wednesday.

Azerbaijan

Aliyev Meets John Major, Speaks at Royal Institute

LD2302231194 Moscow ITAR-TASS in English 2159 GMT 23 Feb 94

[By ITAR-TASS correspondent Viktor Solomon]

[Text] London February 23 TASS—"I am very pleased with my visit and hope that it will be successfully completed," said Azeri President Geydar Aliyev in Wednesday night, addressing the British Royal Institute of International Relations. Aliyev is currently on an official visit to Great Britain at the invitation of the British Government.

Aliyev said that on Tuesday, he had talks with representatives of different British companies and British entrepreneurs. On Wednesday, Aliyev met with British Prime Minister John Major. "The talks were held in a friendly atmosphere and I believe that they were a success," Aliyev said.

During the talks the sides signed a number of bilateral documents, and the most important is a declaration on friendship and cooperation between the two countries.

Aliyev pointed out that it was the first visit of the Azeri president to Great Britain. "We attach great importance to the visit since we look upon Great Britain as a country which has a great political weight on in the international arena, long-standing traditions and which plays an important role in the world economy," Aliyev said.

The Azeri president called upon British and international companies to develop mutually advantageous cooperation with Azerbaijan, which possesses not only oil, but other valuable mineral resources.

The Azeri president promised to give investment guarantees from the Azeri Government and the president. Aliyev pointed out that Azerbaijan had given up Communist ideology, socialist economy adding that there would be no return to the past.

The Azeri president said that it is ready to develop relations of equality with all countries, attaching special importance to relations with neighboring countries. "We have normal relations with Russia, Turkey, Iran, Georgia," the Azeri president said.

Aliyev paid particular attention to the armed conflict around Nagorno-Karabakh. He accused Armenia of aggressive intentions. "However, we have not taken an aggressive and intolerant stand and believes that the two neighboring countries can live in peace and accord as it was in the recent past. Azerbaijan firmly abides by the principle of the peaceful solution of the conflict and believes that the United Nations and the U.N. Security Council, the CSCE Minsk Group and such leading countries as Russia, the United States and Great Britain can make a tangible contribution to the peaceful settlement."

Aliyev's Visit to Britain, Ties With West Discussed

NC2302175194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 22 Feb 94

[Unattributed commentary]

[Text] Britain, which ruled nearly half the world in the past, is one of the countries that selects its own allies regardless of which country is eager to cooperate with it in the political, strategic, and economic fields. It seems that Britain focuses more attention on its long-term interests than on its long-term allies. So it is no coincidence that mutual interests have brought Britain and Azerbaijan closer. Considering requirements earlier this century, British officials have turned to Azerbaijan again, never mind that 70 years have passed since the last time. Several officials have linked that with Britain's bid for Baku's oil. But Britain, which has established links with the Caucasus as one of the most developed countries, maintains more serious objectives, which will serve stability in the region.

Of course, all that will be widely discussed in the high-level talks between Britain and Azerbaijan in London. Undoubtedly, President Geydar Aliyev and Prime Minister John Major will deliberate on the dispute between Azerbaijan and Armenia and try to establish a way to remove the dispute. Britain's position on it is common knowledge. After Turkey, it was the second country to establish its final approach to the Karabakh dispute. And it did that long ago. Perhaps that is why President Ter-Petrosyan left Britain with empty hands at the end of his visit there 10 days ago. He visited Britain with a great deal of hope.

But malicious circles in Azerbaijan have described President Aliyev's visit as an effort to seek Western support. They have made unreasonable and wrong statements in that regard. There is nothing in Azerbaijan's cooperation with Britain to harm the interests of third countries. Naturally, Azerbaijan also wishes to cooperate with France, Germany, Russia, and several other countries. Everyone knows that those countries have adopted a [word indistinct] approach to Azerbaijan's sincere wish to cooperate with them.

The bilateral agreements that will be signed during President Aliyev's visit to London will further consolidate the legal and political basis of bilateral relations. Consequently, our relations will become more productive. The cooperation with Britain, which is a leading country in modern technology in industry and agriculture, will create an opportunity for Azerbaijan to reorganize its industry somewhat.

And President Aliyev's visit may lead to surprising and favorable developments. Naturally, all that will create a

new opportunity for Azerbaijan to improve its cooperation with Western countries.

Georgian Premier Asks for Help To Ease Energy Crisis

NC2302205794 Baku TURAN in English 1909 GMT 23 Feb 94

[Excerpt] Baku (February 23) TURAN—Yesterday Georgian Premier, Otar Patsatsia met with Azeri Premier, Suret Guseynov in Baku. During their meeting Georgian Premier made a request to Azerbaijan to assist to remove energy crisis in Georgia, reports press-service of Azerbaijani Cabinet.

Otar Patsatsia mentioned that last week Georgian Foreign Minister, Alexander Chikvaidze and Iranian leadership concluded the agreement concerning delivery of Iranian gas to Georgia. Georgian Premier wanted Azerbaijan to give a consent to transport gas through its territory.

Azeri Prime Minister Guseynov said that the meeting between President Aliyev and President Shevardnadze is due to take place in the nearest future. And presently Azerbaijan works out the package of documents stipulating establishment of Azerbaijani-Georgian cooperation, including providing energy assistance to Georgia.

Azeri Premier mentioned that Azerbaijan will deliver energy carriers to Georgia if it guarantees that they not be further sent to Armenia. Georgian Premier Patsatsia agreed to Azerbaijan's control over energy carriers transportation.

Suret Guseynov drew attention of Georgian Premier at the situation of Azeri minority in Georgia and asked the Georgian leadership to take measures to secure their civil rights. [passage omitted]

Foreign Ministry Protests Killing of POW's

NC2302195194 Baku Radio Baku Network in Azeri 1700 GMT 23 Feb 94

[Text] The Azerbaijani Foreign Ministry's Press Service has revealed that the Azerbaijani Foreign Ministry has conveyed a protest note to the Armenian Defense Ministry protesting the killing of Azerbaijani POW's in Armenia. Condemning the act of violence, the Azerbaijani Foreign Ministry demanded that Armenia investigate all the aspects of the criminal action without wasting time and seriously penalize the culprits behind the tragic incident.

UN Envoy Views 'Partnership for Peace'

NC2302160194 Baku TURAN in English 1221 GMT 23 Feb 94

[Interview with UN Representative in Azerbaijan Mahmud al-Sa'id by an unidentified TURAN correspondent in Baku on 22 February]

[Text] Baku (February 22) TURAN—Question: May the NATO's "Partnership For Peace" be related to Azerbaijan from a judicial point of view?

Answer: I can't say anything about the programme itself for I am not NATO's but the UN representative in Azerbaijan. The UN is in close contact and cooperation with all regional organizations. Lately, the UN's cooperation with the NATO have become closer in an attempt to settle the conflict in the former Yugoslavia. The willingness of sovereign Azerbaijan to participate in the Partnership For Peace is the matter to be settled between Azerbaijan and NATO. I'd like to add that the UN supports any decision which does not contradict its Charter and contributes to the strengthening of peace and security.

Question: The latest developments in Sarajevo enhance the possibility of bringing the NATO's peace mission to Europe. May such mission's coming to Azerbaijan be materialized?

Answer: I don't have a crystal ball. It is the CSCE which deals with such issues in Azerbaijan. When in New York, I met with the new Chairman of the Minsk Group Jan Eliasson. Now, he returned the Swedish Foreign Ministry. He is a very experienced diplomat. He has a good experience of negotiating and mediating. Before the last appointment, Jan Eliasson had been Under-Secretary General for Humanitarian Affairs. The new Chairman is expected to visit the conflict zone shortly.

Question: The mandate of the UNOMIG [United Nations Organization Mission in Georgia] was extended until March 7, 1994. The UNSC Resolution 896 calls for an immediate determination of the political status of Abkhazia within the parameters of the sovereignty and territorial integrity of Georgia. What do you think the political status is. If similar developments take place in Nagorno-Karabakh, how would you like to see the status of Nagorno-Karabakh?

Answer: I attended that very meeting of the Security Council. Following the report of the SG, Special Representative for Georgia, it was decided to increase the number of observers. All UN resolutions on Georgia reiterate the territorial integrity of Georgia. The resolution requested Georgia to accelerate the search for political ways of settlement of the conflict in Abkhazia. If the problem of Abkhazia exists then political ways should be found to settle it. The same idea could be applied to Nagorno-Karabakh conflict. If there had been no conflict in Nagorno-Karabakh, the Security Council would have never discussed this problem. All resolutions including 822 and the rest 3 on NK [Nagorno-Karabakh] clearly say that no conflict can be settled by military means but by political means within certain parameters.

As for political status, the conflict involving Abkhazia is one thing but Nagorno-Karabakh is something different. I have always said that it is very risky to compare different conflicts and that each conflict has its own reasons and peculiarities. But the principles are the

same. The UN stands for the territorial integrity and sovereignty of both Georgia and Azerbaijan and seeks to promote the peaceful settlement of those conflicts. As far as the status is concerned, it is part of the negotiation process. I'd like to add that all agreements the parties arrive at should comply with the basic UN principles.

Georgia

Scientific Cooperation Accord With Russia

AU2302121294 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 8 Feb 94 p 2

["Agreement on Scientific and Technological Cooperation Between the Republic of Georgia Government and the Russian Federation Government"]

[Text] The Republic of Georgia Government and the Russian Federation Government,

believing that scientific and technological cooperation represents an essential component in the entire complex of bilateral relations and recognizing the necessity of interaction in conditions of the internationalization of the rapid development of knowledge, scientific research, and projects,

taking into account historically established scientific and technological ties between Georgia and Russia,

bearing in mind that such cooperation will contribute to the strengthening of good-neighborly relations between the two countries and peoples and will also create preconditions for the development of mutually advantageous commercial and economic ties,

being guided by the intergovernmental multilateral agreements on scientific and technological cooperation signed within the framework of the CIS in Moscow on 18 March 1992,

have agreed to the following:

Article 1

Taking into account the system of a market economy, the sides will promote scientific and technological cooperation on equal and mutually advantageous principles.

Article 2

Proceeding from the continuous interests of developing the scientific and technological potential in both countries, the sides define priority lines of joint scientific research as follows:

- High-energy physics;
- High-temperature superconductivity;
- Ecologically pure energetics;
- Long-term information technologies;
- Human genomes;
- The protection of the population and national economic installations taking into account the risk arising from natural and technological catastrophes;
- The latest methods of biological engineering;
- The comprehensive utilization of natural resources;
- Global environmental and climatic changes;
- Seismology and earthquake-proof construction;
- Materiology.

On the mutual agreement of the sides, additions and changes may be introduced to the list of lines of cooperation.

Article 3

The cooperation envisaged in Article 2 of this agreement is to be carried out by the ministries, departments, scientific research establishments, higher educational institutions, firms, and scientific organizations and societies in both countries within the limits of their competence in accordance with national legislation. The essence of the cooperation, including its economic and organizational conditions, which embraces:

- the financing of the cooperation;
- the utilization of the results of joint scientific research work;
- responsibility for the accuracy of information supplied to one another and the quality of equipment and materials in the process of cooperation;
- rules for the joint use of scientific and technological installations;
- insurance for scientists and other scientific and technological personnel in the event of illness and accidents,
- will be agreed upon by the directly cooperating sides on the basis of separate agreements.

Article 4

Cooperation within the framework of this agreement will be implemented in the following forms:

The implementation of joint scientific research programs and also projects for creating and developing science-intensive technologies;

The formation of joint temporary scientific collectives and laboratories and firms and organizations specializing in innovations, which will contribute toward the development of new technologies;

Scientific work in the other sides's research institutions, higher educational establishments, technological bases, archives, libraries, and museums, including joint field research and expeditions;

The holding of joint seminars and scientific conferences and working meetings;

The exchange of scientists and specialists;

Improving the qualifications of scientists and specialists, organizing practical experience; cooperation can also be

undertaken in other forms that are agreed upon by both sides and that will ensure the implementation of this agreement.

Article 5

The sides can invite scientific, research, planning and design, and technological organizations and also individual scientists and specialists during the implementation of joint programs and cooperation projects. The sides will encourage the development of direct ties between organizations that are cooperating directly with one another.

Article 6

In order to implement this agreement, the sides will form a mixed working group comprising representatives from interested ministries and the sides; the working group will meet once a year or when necessary at the request of one of the sides in order to assess the progress of work being carried out and elaborate a plan of cooperation.

Article 7

During the course of cooperation, the sides will guarantee rights of protection at facilities containing industrial and intellectual property on the basis of this agreement.

Questions concerning the utilization of the results of scientific research and other information, which will arise during the carrying out of research on the basis of joint programs and projects, and also questions, which are connected with copyright and other rights regarding patents on industrial projects and intellectual property in accordance with current legislation in the states, will be agreed upon in each specific case on the basis of additional agreements that are stipulated in Article 8 of this agreement in accordance with current legislation in the states.

Article 8

This agreement does not affect those rights and obligations of the sides proceeding from other international treaties and agreements concluded by them.

Article 9

This agreement can be changed and supplemented on the basis of the written consent of both sides.

This agreement comes into force as soon as it has been signed and remains in force for a period of five years and will be extended for periods of one year if neither of the sides gives written notification of its desire to annul this agreement six months before the corresponding expiry date.

Concluded in Tbilisi on 3 February 1994 in two copies, each one in Georgian and Russian, and each having equal force.

[Signed] On behalf of the Republic of Georgia—Otar Patsatsia
On behalf of the Russian Federation—Oleg Soskovets

Estonia

EU Free Trade Agreement Talks Open in Brussels

LD2302115594 Tallinn Radio Tallinn Network in Estonian 0700 GMT 23 Feb 94

[Text] Talks about a free trade agreement will begin today in Brussels between the European Union and Estonia. The Estonian delegation is led by Priit Kolbre, head of the Foreign Ministry's foreign trade policy department. The first round of talks will last one day, during which the delegations will clarify their opinions about the contents of the agreement. It is known already that the European Union will provide Estonia completely free trade in respect of industrial goods, textile products, and agricultural produce.

Agreement on 'Basic Principles'

WS2402103494 Tallinn BNS in English 2132 GMT 23 Feb 94

[Text] Tallinn, Feb 23, BNS—EU and Estonian negotiators at the first round of free trade talks in Brussels today agreed on the basic principles of the text of the agreement to be drawn up.

Speakers at the opening of the talks today pointed out Estonia's significant success in economic reform and development as one of the positive factors at the talks, said Clyde Kull, the country's ambassador to EU.

"The European Union has accepted Estonia's liberal trade policy," he said.

Kull said general free trade regulations, which above all will include manufactured goods and processed farm products, and will serve as basis for solving the problems concerning textiles, are to be the basic principle of the prospective treaty. He said a principal accord had been achieved in talks on textile and farm products exports.

Also discussed was sponsoring of Baltic regional cooperation through the free trade treaties to be signed with EU.

"A general understanding was reached at the meeting that it is absolutely possible that the agreement will step into force from Jan. 1, 1995," Kull said. He expected the talks to be concluded by May or June.

The next round of the negotiations is scheduled to start on March 23.

The Estonian delegation for the first round of the talks included the head of the Foreign Ministry's foreign economic policy department, Priit Kolbre, as the head of the delegation; Estonian Ambassador Clyde Kull; as well as a trade counselor for the embassy, officials from the Estonian Economics, Agriculture ministries, and Customs Department.

CSCE Commissioner Finds No Rights Abuse of Russian Speakers

WS2302192894 Tallinn BNS in English 1344 GMT 23 Feb 94

[Text] Tallinn, Feb 23, BNS—The CSCE High Commissioner for Ethnic Minorities Max van der Stoel, who leads a CSCE delegation visit to Estonia, said his mission had discovered no facts of violation against the rights of Russian-speakers in the country.

One of the key topics discussed at a meeting of the CSCE High Commissioner with Estonian Prime Minister Mart Laar today was the issuing of residence permits to non-citizens in Estonia, including to the retired Russian military.

We had a good contact and the CSCE officials expressed their understanding of the issue, Laar said in a press conference.

The day before, on Tuesday [22 February], the CSCE High Commissioner had talks with municipal leaders, local school and municipal education board heads in the northeastern town of Narva. Max van der Stoel also met with the permanent CSCE mission in the Russian-populated town, Russia's consul general there, and the heads of the Narva League of Russian Citizens and of the former City Council.

Explaining the reasons why he had met the head of the League of Russian Citizens, Yuri Mishin, and the former City Council chairman Vladimir Chuikin, the CSCE high official said the meetings had been aimed at getting information from all sectors involved.

"This is my task," he said.

MP Says CSCE High Commissioner 'Interfering'

WS2302205594 Tallinn BNS in English 1716 GMT 23 Feb 94

[Text] Tallinn, Feb 23, BNS—The CSCE High Commissioner for Ethnic Minorities, Max van der Stoel, for a long time already has been directly interfering with the internal affairs of Estonia, said Tiit Made, member of the Estonian parliament's Foreign Affairs Commission.

"Last year, when the local elections law and the law on foreigners were discussed in Estonia, Stoel visited Narva as a political tourist and met there mainly with the leader of the League of Russian Citizens, Yuri Mishin, and former City Council chairman Vladimir Chuikin. Stoel then conveyed their opinions on to the West," the MP [member of parliament] said in an interview with BNS.

Made said it was inadmissible that the CSCE ethnic minorities high commissioner again met with Mishin and Chuikin during his Tuesday's [22 February] trip to Narva.

"Now when Chuikin is a departmental head at Narva Furniture Factory there is no need for Stoel to meet with

him officially and discuss Russian affairs. Stoel can do this in his private capacity if he so wishes," Made said.

Van der Stoel himself said his meetings with Mishin and Chuikin were "aimed at getting information from all representatives of the Russian-speaking population." "This is my task," he said in a press conference.

Made in his comments said Van der Stoel had been "simply unable to say anything else in justification."

Made says the Estonian Government must give up "bending to Max van der Stoel and responding to his wishes." He said the government should "restrict interference by the High Commissioner into the internal life of Estonia and his representing the interests of Russian residents in the CSCE."

Arms Consignment Discovered Near Southeastern Border

WS2402111694 Tallinn BNS in English 2132 GMT 23 Feb 94

[Text] Tallinn, Feb 23, BNS—Estonian security police and armed forces in a joint operation on Feb. 21 discovered more than 500 TT pistols near Luhamaa at the country's southeastern border with Russia.

The guns were seized and handed over to the defense forces, said Juri Pihl, director general of the Defense Police. Pihl said nobody was arrested so far, but his department has initiated a criminal case on arms smuggling and misprision charges.

The criminal code foresees a jail sentence of 3 to 8 years for such crimes.

Russian customs in their checkpoint of Petseri, opposite Luhamaa, on Feb. 21 uncovered five guns and lots of cartridges in a car headed from Estonia to Russia. Those who were in the car have been arrested.

Latvia

Poland's Walesa Arrives on 'State Visit'

LD2302114394 Riga Radio Riga Network in Latvian 1100 GMT 23 Feb 94

[Text] Polish President Lech Walesa arrived in Latvia today for a state visit. The Polish president is accompanied by an official state delegation of advisers and experts. Walesa was met at the airport by Latvian President Guntis Ulmanis, Prime Minister Valdis Birkavs, Foreign Minister Georgs Andrejevs, Dainis Turlais, the commander of the Defense Forces, and foreign ambassadors accredited in Latvia. The presidents of the two countries attended a parade by the Latvian defense forces.

An hour ago at Riga Castle, Walesa and Ulmanis signed a joint political declaration on strengthening friendship and cooperation between Latvia and Poland, a declaration on the resumption of work of the agreements concluded between Latvia and Poland between 1922 and 1938—which provides for reconsideration and assessment of those documents—as well as an agreement on legal assistance between Latvia and Poland in civil, family, labor, and criminal cases. These documents were signed by Latvia's Foreign Minister Andrejevs and Iwo Byczewski, Polish deputy minister of foreign affairs.

Meets With Birkavs

LD2302202994 Riga Radio Riga Network in Latvian 1400 GMT 23 Feb 94

[Text] Lech Walesa, president of the Republic of Poland, met Latvia's Prime Minister Valdis Birkavs today. After the talks the Latvian prime minister told reporters about what was discussed during the meeting with the Polish president.

[Begin Birkavs recording] The Polish president's visit is a new stage in Latvian-Polish relations. There is a mutual desire to make our relations considerably more active in two main spheres—security and economy. In the security sphere, a deeper military cooperation is meant. We have agreements which have already been concluded between the ministries of defense. Deeper military cooperation means cooperation within the framework of the Union of Baltic Sea Countries, cooperation between the Baltic region and the (Wyszogrod) region, and, of course, the development of bilateral relations between Latvia and Poland in the security context.

We also discussed the problem of the Kaliningrad region where there an is extremely large concentration of armed forces, and about which the world knows practically very little at the moment.

In the sphere of the economy we discussed our opportunities. So then, we are waiting for a Polish trade visit, an exhibition. We are waiting for the Polish prime minister's visit to Latvia. We discussed development of a transport corridor which is extremely necessary, including reciprocal ferry transport between Liepaja and Szczecin or Liepaja and other ports, Polish ports.

Very good foundations have been created for Latvian-Polish relations, both legal foundations and also personal foundations in relations between the heads of the states.

Mr. Walesa said: If I were once again to make a revolution, I would not make a mistake which I made in Poland. I would begin privatization much sooner, I would carry out it much more vigorously, and I would begin with large rather than small enterprises.

I think Mr. Walesa answered precisely the question of whether the Latvian government is acting correctly when it is beginning a vigorous privatization process, or not. I think that this is Polish support for the Latvian Government. [end recording]

Commission To Tackle Skrunda Radar Station Problems

LD2302124894 Riga Radio Riga Network in Latvian 1100 GMT 23 Feb 94

[Text] The Council of Ministers of Latvia has decided to set up a commission to tackle environmental, health, and social security problems related to the functioning of the Skrunda radar station. The main task for the commission is to determine measures that are needed to tackle the aforementioned problems and to organize their implementation in cases also involving the need for foreign assistance. In addition, the commission will also coordinate the actions of the institutions of state administration aimed at tackling specific issues related to the Skrunda radar station.

The chairman of the commission is Girts Lukins, Latvian minister for environmental protection and regional development. It also includes Edvins Inkens, minister without portfolio, representatives of the Ministry of Welfare, the Ministry of Foreign Affairs, the Ministry of Defense, and other government departments, as well as health care employees.

Lithuania

Foreign Minister on Border Violation by Russians

WS2302174094 Tallinn BNS in English 1344 GMT 23 Feb 94

[Text] Vilnius, Feb 23, BNS—"The border was of course violated in this case," Lithuanian Foreign Minister Gylys said, commenting on unauthorized transit of a Russian echelon through Lithuanian territory Feb. 19.

The Russian echelon crossed the Lithuanian border from the side of the Kaliningrad region last Saturday [19 February] without any official permission of Lithuanian authorities and even without an advance warning. The train carried 26 infantry fighting vehicles, which were escorted by armed Russian soldiers. The Russian servicemen did not have special permissions for carrying weapons on Lithuanian territory.

Lithuanian authorities let the echelon pass, to avoid any accumulation of military equipment near the state border. Lithuanian border officials followed the echelon until it crossed the country's eastern border and entered Belarusian territory.

On Tuesday, Gylys called in Nikolai Obiortyshev, Russian ambassador to Lithuania, to explain the incident.

"I spoke with Ambassador Obiortyshev, we analyzed the happening and I asked that the Russian side pay attention to this unpleasant event and that such cases are not repeated again," Gylys told Lithuanian TV.

Judging from the interview, Lithuania did not register any official protest over the incident.

The Lithuanian minister noted that Lithuania and Russia do not have any treaties on military transit. Russian military transit from the region is carried out in accordance with the established order of Russian transit from Germany via the Mukran-Klaipeda ferry.

But Gylys pointed out with satisfaction that Russian transit is mainly outward bound, i.e. moves from the region to Russia. The minister said "only fuel and other goods, food but not weapons, not soldiers" move in the direction of Kaliningrad.

Minister on Promotion of Domestic Goods

WS2302194594 Vilnius TIESA in Lithuanian 5 Feb 94 No. 25 p 7

[Interview with Kazimieras Klimasauskas, Lithuanian industry and trade minister, by Gediminas Koncius in Vilnius; date not given: "Quality Goods: Will We Have Them in Lithuania?"]

[Excerpts] [Koncius] Mister Minister, the TIESA editorial board has proposed the following regular rubric to its readers: "May the Words 'Made in Lithuania!' Sound Proudly." We intend to write ourselves, and we are also inviting the readers, specialists, producers, and dealers to share their views on the production and sale of Lithuanian consumer goods.

In the opinion of the editorial board, the problems in this sphere are numerous. Why did some enterprises fail to restructure their production to meet market demands? Why do many Lithuanian quality goods not have demand on the domestic market? Why are imported goods so much in demand on our market, the majority of which are neither better nor cheaper than ours? We will try to stir producers' responsibility and customers' respect for trademarks with the inscription "Made in Lithuania."

[Klimasauskas] This is a good idea. I have been thinking for a long time that we must be a nation of nihilists. We are unable to rejoice at our successes, a few of which we have achieved. As true provincials, we loathe everything that is homemade. We boast only of the past, as aged people.... Many politicians do not even want to see the sun over their heads, to say nothing of the obvious economic stabilization. Nor do consumers value homemade goods on the commodity market due to the same nihilistic attitude. Without optimism and self-respect, however, we will not achieve anything or be interesting to others.

We really have something to boast about. Many light industry enterprises work stably and sell their production without difficulty. Those who have worn Lithuanian knitted clothes, eaten products from the dairy plant in Birzai, sat on furniture with upholstery manufactured in "Audejas" [weaver], worn suits made by "Lelija" [lily], drunk coffee from "Jesia's" china cups, will not find fault with them. "Snaige" [snowflake] refrigerators and freezers are in demand both on the domestic and foreign

markets. The output of refrigerators, portable television sets, and bicycles climbed by 166, 110, and 107 percent, respectively, over the last year. Our estimations are based not on the financial results that can be manipulated but on output units. Thus, they can be trusted.

The situation in the food processing industry is more difficult. The production of many food stuffs is declining, and they are replaced by an increasing number of imported goods. Lithuania is losing both the foreign market it has had and its own market. We used to boast about "feeding Russia," but we have become food importers.

The first reason is the improper beginning of the agrarian reform which was a terrible blow to food producers. The second reason is the outdated food processing industry. [passage omitted]

Producers have already realized that they must work not for "his majesty the plan" but for consumers. They must only find ways for pleasing the latter.

[Koncius] The production of quality goods requires investments. Where could we get money for up-to-date technologies and more productive equipment?

[Klimasauskas] Lithuania has chosen such a model of privatization which has actually produced no investments. Investment coupons for which the new owners acquired capital goods is not money. One cannot buy new equipment for them, while only traders can get bank loans with a 100-percent annual interest rate because turnover is faster in trade. Practically no one is investing in industry because this brings no profit today. Even a layman can notice this: New and lovely stores open every day, but no one has heard about the construction of new industrial enterprises. The exception is joint ventures with foreign partners who bring their own capital earned at a normal interest rate.

Incidentally, our people also have capital. I do not believe those businessmen who claim that there are several billion dollars in Lithuania. I believe, however, that the internal unused reserves may reach $500 million in various foreign currencies.

However, until we have a well-arranged banking system, admit foreign banks, and peg the litas to some stable foreign currency, we will have neither normal credits nor investments in industry. The longer this will last, the worse and more expensive our goods will be.

[Koncius] In your opinion, what should the exchange rate be when tying the litas to the U.S. dollar?

[Klimasauskas] I think that neither the sheep would be hurt nor the wolf would feel hungry if the dollar cost no less than four litai. Such an exchange rate would satisfy exporters and do no damage to customers in Lithuania. I believe that international financial organizations would also approve this exchange rate.

[Koncius] The production of quality goods requires not only money but also ideas. Does Lithuania have a sufficient amount of new ideas? [passage omitted]

[Klimasauskas] I have already mentioned ingenious producers. Unfortunately, we also have many such manufacturers who failed to offer anything to the market.

Let us take the Vilnius enterprise "Sigma," for example. I suppose that bright heads would have really found possibilities for producing personal computers there. Sadly, the slot machines made at this enterprise are in low demand. [passage omitted]

I understand perfectly well that bright heads are needed not only in production but also in the government, because a market economy is not chaotic, and it must be managed reasonably. The government has done and will do its best in supporting producers of consumer goods. However, it will promote only those who will prove that they have their own brains.

[Koncius] The problems in trade are no less numerous.

[Klimasauskas] First of all, the Seimas must speed up the adoption of the draft laws on trade and the protection of consumers' rights. Until we have them, the bazaar trade will flourish, and there will be no real competition. The absence of these laws also impairs the effective work of trade inspection institutions.

Only the law will allow us to combat piratical importers from other countries who come to us with expired goods and dishonest competition, and without proper service and guarantees.

[Koncius] Could you personally already pronounce the words "Made in Lithuania" with pride?

[Klimasauskas] First of all, I would like journalists to learn to pronounce these words, because the prestige of our goods largely depends on the press, radio, and television. [passage omitted]